

FBIS**DAILY REPORT
CONTENTS***Latin America*

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INTER-AMERICAN AFFAIRS

Contadora Group Meeting To Be Held 17-18 June [EL GRAFICO 8 Jun]	A 1
Cartagena Group To Meet in July, August [LATIN]	A 1
Andean Pact Issues Communique on U.S. Trade Law [EFE]	A 2

ARGENTINA

IMF Director Larosiere Supports Economic Program	B 1
Extension Requested on Debt Interest Repayment	B 1
Central Bank Approves 18-Percent Peso Devaluation	B 2
New Public Works, Services Minister Sworn In	B 2
Employees Criticize CNEA Management, Plans	B 2

BOLIVIA

Oil Workers Strike Prompts Refinery Seizure	C 1
Government Takes Over Hotels for Loan Nonpayment	C 1
Hotel Representative Comments	C 1
Interior Minister on Takeover	C 1
COB Supports Government Action	C 2

BRAZIL

Commercial Offices To Be Opened With USSR [O GLOBO 4 Jun]	D 1
Soviet Delegation Negotiating With Sunamam [FOLHA DE SAO PAULO 30 May]	D 1
Embraer 'Secretly' Assembles AMX Subsonic Fighter [O GLOBO 9 Jun]	D 2
Justice Ministry Communique on Agrarian Reform [O GLOBO 1 Jun]	D 2

CHILE

Del Valle on Credit Negotiations, Easter Island	E 1
Bolivians Owe U.S. \$770,000 for Rail Service	E 1
Government Abides by Court Verdict on Press	E 2
FPMR Claims Responsibility for Hotel Bombing	E 2
Construction Workers Leaders Freed on Bail	E 2

COLOMBIA

Uruguay's Iglesias on Democracy, Foreign Debt	F 1
Catholic Newspaper Criticizes Amnesty Law [EL TIEMPO 1 Jun]	F 2

ECUADOR

President Agrees Debtors Strike 'Inappropriate'	G	1
Teran on OAS Costa Rica-Nicaragua Resolution	G	1
Teran, Uruguayan Minister Discuss Relations	G	1

PERU

President Belaunde Holds Press Conference	J	1
Belaunde Sees End of Terrorism; Clashes Continue	J	2
President Belaunde Meets With Soviet Ambassador	J	3
State of Emergency Extended in Carrion Province	J	3
State of Emergency Decreed in Chimbote	J	3
Shining Path Reportedly Sends Proposals to Garcia	J	3

URUGUAY

President Addresses Nation on First 100 Days	K	1
Delay Expected in Beef Shipment to Iran	K	5

VENEZUELA

Delegation To Investigate Area Border Incidents	L	1
Official Denies Leninism Taught in Nicaragua	L	1

MEXICO

Energy Secretary Labastida Ochoa on Oil Market	M	1
Policy To Be Maintained	M	1
PEMEX Increases Production	M	1
Increased Trade Sought With CEMA Countries	M	2
Eleven Leftist Groups Form New Coalition	M	2
Reportage on De la Madrid's Visit to UK [cross-reference]	M	2

CENTRAL AMERICA

COSTA RICA

Tower Supplying Power to Nicaragua Destroyed	P	1
Responsibility Claimed	P	2
Gutierrez on OAS Investigating Commission	P	2
Police Director on Nicaraguan Embassy Attack	P	3
Social Christian Unity Party on Border Incident	P	3
[LA REPUBLICA 2 Jun]		
Leftists Charge ARDE With Border Incident	P	4
ARDE Admits Weapons Shipment Confiscated	P	5
[Managua Domestic]		
Security Force Organizes Air Section, Staff	P	5
Justice Minister Munoz Travels to Spain	P	5
Briefs: Canadian Credit	P	6

EL SALVADOR

Electricity Poles Destroyed, Clashes Reported	P	6
Archbishop Condemns Government, Guerrilla Actions	P	6
Canadian Foreign Minister Ends 3-Day Visit	P	7
Radio Venceremos on Joint Sabotage Campaign	P	7

GUATEMALA

Mutual Support Group Rejects Report on Missing P 8

NICARAGUA

Defense Ministry Communique on La Penca Seizure P 9
 Defeat of 'Jorge Salazar' Command Reported P 9
 [BARRICADA 6 Jun]
 LA PRENSA Sends Letter to Ortega on Censorship P 13
 [6 Jun]
 LA PRENSA on 'Threat' by Journalists Association P 14
 [6 Jun]
 AALAPSO Secretary Condemns U.S. Embargo P 15
 Continuation of U.S. Maneuvers in Honduras Noted P 15
 Education Minister Views U.S. Aid to Contras P 16
 Discusses Conflict With U.S. P 16
 [Vienna KURIER 11 Jun]
 Atlantic Coast Leader on Autonomy Bill P 18
 Interview With Socialist International Representative P 18
 [BARRICADA 6 Jun]
 EPS Overruns ARDE Headquarters in La Penca P 20
 [San Jose Radio Reloj]
 PSN Leader on Border Problem With Costa Rica [ACAN] P 20
 UNITA To Send Advisers to Nicaraguan Contras [SAPA] P 21
 COSEP's Bolanos on Nicaraguan Economic Situation [AFP] P 22
 Briefs: Donation From France P 23

CUBA

Foreign Minister on Contadora, Foreign Debt Q 1
 DPRK Workers Issue Statement on Radio Marti Q 1
 Raul Castro Ends Visit to Sancti Spiritus Q 1
 Camacho Addresses Sugar Industry Directors Q 1
 'Our America' on New Nicaraguan Cardinal Q 2

CARIBBEAN

ANTIGUA AND BARBUDA

Deputy Prime Minister Proposes Caricom Army S 1

HAITI

President Duvalier Appoints New Cabinet Members S 2

JAMAICA

Seaga Holds Press Conference on Budget, Debt S 2
 Military Exercises Staged With British Soldiers S 3

TRINIDAD AND TOBAGO

Cuban Government Seeks Trade, Cultural Ties S 3

CONTADORA GROUP MEETING TO BE HELD 17-18 JUNE

PA110330 Guatemala City EL GRAFICO in Spanish 8 Jun 85 p 4

[Text] Guatemala City, 7 Jun -- A new meeting will be held on 17-18 June by the Contadora Group's plenipotentiary representatives, within the open dialogue framework advocated by the Group, in order to solve the Central American crisis. This was officially reported today by Guatemalan Deputy Foreign Minister Mario Marroquin Najera during a press conference at the National Palace. Deputy Foreign Minister Marroquin said that the scheduled meeting between all the Central American countries' delegates is to review the latest events and the document for peace proposed by the Contadora Group.

The scheduled meeting between the countries' representatives will try specifically to reach agreements concerning the points on which a consensus has yet to be attained among the governments involved, said the deputy foreign minister. The official said later that the Guatemalan Government believes these problems could be solved with a bit of goodwill and some effort, thus eventually leading to peace. He explained that the delegates who have been participating in this meeting will also participate in the upcoming reunion of plenipotentiary representatives. Alfonso Alonso Kima and Arturo Sainz Tejada, Foreign Ministry technical personnel, will attend the meeting to represent Guatemala.

Mario Marroquin Najera did not say whether any country had offered an excuse for not attending, particularly Costa Rica, which was involved in a border incident with Nicaragua some days ago.

In conclusion, the official emphasized the optimism which prevails concerning this meeting and the achievement of specific results to achieve peace in the area.

CARTAGENA GROUP TO MEET IN JULY, AUGUST

PA081726 Buenos Aires LATIN in Spanish 2311 GMT 7 Jun 85

[Text] Quito, 7 June (REUTER) -- Latin America's 11 most indebted countries, which comprise the Cartagena Group, will not reply to the industrialized nations and instead will meet unilaterally during July and August to define a complete program of the Group's future actions regarding its creditors.

Uruguayan Foreign Minister Enrique Iglesias, who is the Group's secretary pro tempore, said here yesterday that there will not be a reply to the message sent by FRG Chancellor Helmut Kohl and Japanese Prime Minister Yasuhiro Nakasone on behalf of the industrialized nations "because that phase has ended." Kohl and Nakasone had replied to Uruguayan President Julio Maria Sanguinetti who, on behalf of the Cartagena Group, asked Latin America's major creditors meeting in Bonn for talks and solutions to the foreign debt problem.

Iglesias, who is on an official visit to Quito, said during a press conference that technical delegates from the 11 Cartagena Group countries will meet in Montevideo in July and that after the inauguration of the new governments in Peru and Bolivia, the treasury and foreign ministers will hold a meeting in August in a city yet to be determined. The two meetings will evaluate the tasks accomplished and define a complete program for future actions. However, the adoption of further joint actions cannot be ruled out.

Iglesias said: "The past 3 months of work have enabled us to create political space for the Group's credibility and identity within political spheres, especially in Europe and at the IMF and World Bank." He added that the Group is committed "to doing everything within its power to improve the international situation."

"Under the current circumstances and after experiencing 4 years of an economic squeeze, the foreign debt problem is tipping solely in the creditors' favor and there is very little the debtors can contribute," Iglesias said. He explained that in view of the situation, the Cartagena Group proposed that the region's foreign debt problem be handled on two levels: one for bilateral negotiations, and the other for multilateral political negotiations "so that the conditions under which the countries are negotiating their respective plans are improved."

Iglesias added: "At that level, we are interested in holding political negotiations on our raw materials, interest rates, protectionism, and everything else that is related to the way we are negotiating our foreign debt."

ANDEAN PACT ISSUES COMMUNIQUE ON U.S. TRADE LAW

PY080239 Madrid EFE in Spanish 0037 GMT 8 Jun 85

[Text] Lima, 7 Jun (EFE) -- Pedro Carmona, the coordinator of the Andean Pact, has warned here in Lima about the risks of the new U.S. trade law. He also said that the Andean Pact will adopt a common position in defense of the region's interests.

In a communique released by the Andean Pact, which is headquartered in Lima, Carmona states that this common position will be decided on within the framework of the upcoming Latin American Council, which has been called by the Latin American Economic System (SELA) to be held in September 1985.

Carmona states that the U.S. law expands the radius of action of the U.S. executive branch, and that it places it in a comfortable and advantageous position to virtually and unrestrictedly impose its conditions in the fields of investment, manufacturing, technology, and services of U.S. origin within the region. Therefore, he believes that a modification of Decision 24 is absurd. Decision 24 is an Andean Pact decision that rules on foreign investment, patents, brands, and royalties within the Andean subregion. The essence of Decision 24 must not be weakened or impaired if it is revised, which is the desire of some Andean countries, Carmona said. The Andean Pact includes Bolivia, Ecuador, Colombia, Peru, and Venezuela.

Carmona also indicates that the hopes inspired by a modification of Decision 24 will be frustrated if capital is not invested as expected. He adds that it would be misleading to believe that foreign investment is a basic tool for overcoming the crisis. He recalls that foreign investment in the subregion under Decision 24 has increased by 10 percent per year. The accumulated amount of that investment increased from \$4.179 billion to \$6.081 billion between 1979, when the Pact was founded, and 1983.

The coordinator of the Andean Pact states that foreign investment has not been blocked in the subregion by Decision 24 and that it is his opinion that investment must complement national efforts for development. He maintains that the objective of creating a larger subregional market has not been postponed, suspended, or deferred, despite the restrictive measures that some Andean countries have implemented, especially in 1983 during the reorganization of their economies.

As a positive aspect of the Pact's achievements, Carmona cites the expansion of intra-subregional trade, and as a negative aspect the facts that the idea of integration has not yet taken root within the Andean population and that a mechanism has not yet been found that will counter the adverse foreign effects of the international economic crisis.

He also announces that a meeting of the Andean Pact's debt negotiators will be held in Lima and that they will evaluate their experiences with the creditor banks and the impact of the readjustment programs.

IMF DIRECTOR LAROSIERE SUPPORTS ECONOMIC PROGRAM

PY111554 Buenos Aires TELAM in Spanish 1340 GMT 11 Jun 85

[Text] Buenos Aires, 11 Jun (TELAM) -- According to Argentine Economy Ministry sources, IMF Executive Manager Jacques Larosiere today announced his willingness to support the economic program described in the letter which deals with Argentina's foreign debt and which was discussed in Washington with the Argentine delegation. In a telegram issued from IMF headquarters in the United States, Larosiere also stated that he will submit this letter for the consideration of the IMF Executive Board for a review of the 15-month temporary agreement that was approved on 28 December 1984.

EXTENSION REQUESTED ON DEBT INTEREST REPAYMENT

PY112312 Buenos Aires BUENOS AIRES HERALD in English 11 Jun 85 p 1

[Excerpts] Argentina yesterday asked the U.S. Government for a 24-hour extension to pay off a 620-million-dollar debt in respect of interests on part of its foreign debt following delays in obtaining a bridging loan of 450 million dollars from a group of seven nations, reliable sources said last night. Yesterday was the deadline to pay up the interests or face the possibility of Argentina being classified as a sub-standard borrower and hinder the obtaining of further financial aid from foreign banks.

The sources said the U.S. was to contribute 250 million dollars to the bridging loan and the rest was to come from Mexico, Venezuela, Spain, France, Japan, and West Germany. But some of the governments objected to the terms of the loan, particularly West Germany, which considered the overall problem as the responsibility of the U.S. as most of the creditor banks which were owed the overdue interest were U.S. banks, the sources said. Other governments wanted further guarantees on the time limit and manner of the repayment of the loan, they added.

The first payment of 295 million dollars would be made in August after the IMF assesses Argentina's performance for the third quarter of the year. This would be followed by similar payments in November, February, and May, the sources said.

The sources said the amount of the first payment was one of the objections raised by the bridging loan countries as it would not cover the 450 million dollars they would put up. They recalled a similar 90-day operation concluded with Argentina last year took almost a year to be repaid, the sources said.

They said the other countries demanded the first instalment of 295 million dollars be used to pay back the 200 million they would be putting up and the remaining 95 million be paid to the U.S. on account of its contribution of 250 million dollars. The Argentine delegation, headed by Mario Brodersohn, the chairman of the National Development Bank, was trying to have the IMF cut the instalments down to two in order to meet the demands of its eventual creditors, the sources said. But so far, the countries which appeared most flexible to solve the problem were France and Japan, the sources added.

They said Economy Minister Juan Sourrouille, together with Economic Coordination Secretary Adolfo Canitrot and [Under Secretary Jose Luis] Machinea, who was back in Argentina, were in constant contact with the Argentine delegation and Central Bank Vice-President Leopoldo Portnoy, who is currently in Basle, Switzerland. Portnoy was playing a major role in negotiating with the European countries attending a meeting of the International Adjustments Bank which has its headquarters in Basle, the sources said.

CENTRAL BANK APPROVES 18-PERCENT PESO DEVALUATION

PY11502 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1243 GMT 11 Jun 85

[Text] Buenos Aires, 11 Jun (NA) -- Very reliable sources have reported that the Central Bank has approved an 18-percent devaluation of the Argentine peso as related to the dollar. The devaluation will take effect today. The financial system has not yet been informed of the measure, but this will happen during the course of this morning. The devaluation, which was ordered by the economy minister, was approved within the framework of the agreements with the IMF.

NEW PUBLIC WORKS, SERVICES MINISTER SWORN IN

PY120052 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2203 GMT 11 Jun 85

[Excerpt] Buenos Aires, 11 Jun (NA) -- Engineer Roberto Tomasini, the new Argentine minister of public works and services, today said that he will follow in the footsteps of his predecessor Roque Carranza, following the "policy that has already been established" by President Raul Alfonsin. Tomasini made these remarks shortly after taking the oath of office before President Alfonsin during a short ceremony at 1000 in the White Hall of Government House. The ceremony was attended by ministers and other high-ranking government officials.

EMPLOYEES CRITICIZE CNEA MANAGEMENT, PLANS

PY070315 Buenos Aires DYN in Spanish 1311 GMT 6 Jun 85

[Text] Buenos Aires, 6 Jun (DYN) -- Employees and technicians of the National Atomic Energy Commission [CNEA] who are members of the Association of State Workers (ATE) have reported that the national executive branch is being victimized by "international pressures" which have prevented it from sending to Congress the draft nuclear bill "prepared by working groups of the ruling party more than 1 year ago." The workers also criticized "the lack of consistency in CNEA's plans," and said that this organization is engaged in a "battle over costs with enterprises in this sector, when the true battle that must be waged is the one against technological dependency." The communique of CNEA workers was released today on the occasion of CNEA's 35th anniversary. It pointed out that the organization is currently "experiencing one of the most difficult periods in its history," because of the "country's economic crisis, international pressure, the unclear policy of the government, the speculative attitude of certain lawmakers, and a management which has been unable to overcome all these obstacles and has succumbed to the crisis." The communique states that "there is a lack of democratic participation" within the CNEA and denounced the "authoritarianism and arrogance" of the management and the "voracity of a group of firms whose only concern is to keep the nuclear deal going." It added: "The stagnation of plans for independent technological development in the nuclear field" is one of the aspects of CNEA's crisis. The communique questioned "the continuity of a plan of tasks and projects of doubtful usefulness for the country under the present circumstances." The communique criticized the creation of corporations like the Argentine Nuclear Enterprise for Electrical Power Plants which "have not only failed to manage or execute projects but have become liaison organizations for a group of corporations for the benefit of the latter, thus foresaking the objectives initially set for them." The paper emphasized the need to carry out "policies capable of consolidating all the achievements and making use of them for the attainment of significant goals aimed at self-sufficiency in the nuclear field." The workers also called for a "review and abrogation of all contracts harmful to national interests," for the "adjustment of tasks and projects to the nation's needs and possibilities," and for "congressional debate on legal instruments which set the rules for this activity."

OIL WORKERS STRIKE PROMPTS REFINERY SEIZURE

PY112007 La Paz Cadena Panamericana in Spanish 1700 GMT 11 Jun 85

[Excerpts] Not a drop of fuel will be pumped to La Paz or to other departments from the Palma Sola Refinery in Santa Cruz until the fuel supply returns to normal in Santa Cruz Department. This arbitrary decision has been made, according to some observers, by the Jorge Landivar-led Santa Cruz Civic Committee.

The decision was prompted by the fuel shortage that has occurred in Santa Cruz Department as a result of an oil workers strike.

The strike provoked a protest by the Santa Cruz Civic Committee, the Santa Cruz Youth Committee, and Santa Cruz transportation sectors. These groups yesterday took over the Palma Sola Refinery and clashed with the striking workers. The clash left a toll of several injured.

In a statement to Panamericana, Landivar said that not only members of these organizations participated in the incidents that occurred yesterday but most Santa Cruz residents, who are tired of the abuses committed by the leaders of the Santa Cruz oil workers union.

Landivar said his groups had asked the Army to protect the Palma Sola Refinery, 12 km from Santa Cruz, to allow those willing to work to do so.

[Paris AFP in Spanish at 1506 GMT on 11 June adds: "It was officially reported today that the Bolivian police have violently taken control of the Palma Sola Refinery in Santa Cruz, in the eastern part of the country, to prevent clashes between the workers and Santa Cruz residents.]"

GOVERNMENT TAKES OVER HOTELS FOR LOAN NONPAYMENT

Hotel Representative Comments

PY101355 La Paz Cadena Panamericana in Spanish 1130 GMT 10 Jun 85

[Text] Mrs Maria Elena Vazquez, manager of Crillon, Inc, has rejected the government intervention in the Sheraton and Crillon Hotels and has termed it unconstitutional. Mrs Vazquez has described the government's intervention as an arbitrary usurpation and violation of private property and announced that her company will take appropriate steps.

In this respect, it has been reported that the company's legal adviser, (Eder Lanza), today will file a brief before the Sucre-based Supreme Court to request that the executive decree ordering the intervention be declared unconstitutional since it violates the Constitution and the law.

Authoritative spokesmen for the Crillon Hotel have noted that the \$48 million debt mentioned in the executive decree is inaccurate. They noted that this is an inflated amount since the actual collateral guarantee given by the State Bank totals only \$8 million.

Interior Minister on Takeover

PY111549 La Paz Cadena Panamericana in Spanish 1130 GMT 11 Jun 85

[Text] Interior Minister Gustavo Sanchez has promised reporters that he will send each office a detailed report on the reasons for ordering the intervention in the Sheraton and Crillon Hotels of La Paz.

The government intervention has provoked criticism, particularly the use of force in taking over the hotels.

[Begin Sanchez recording] We are going to send you the full text of the executive branch decree so that you can study it. What the government is doing is recovering part of its foreign debt. We are going (?to pay) with our own funds.[passage indistinct]
[end recording]

To collect a debt owed to the state will not be allowed to create social unrest, Sanchez said. Commenting on the support the workers have given the government decision, Sanchez said:

[Begin recording] [Sanchez] To collect debts owed to the government can in not way disrupt social peace. I believe the government has exercised its sovereignty. I have just been told that the workers of the State Bank and of the Sheraton Hotel itself this morning held (?a ceremony) and raised the national flag at the Sheraton building. I believe this is a sound response to a campaign which is suggesting that the government has violated sovereignty or private property. On the contrary, what we are doing is recovering assets that belong to the Bolivian people. The Bolivian Government must defend...

[Reporter, interrupting] In a public statement released a few hours ago, the private sector regards this action as an outright provocation and [words indistinct]. What can you tell us about this?

[Sanchez] That is the opinion of the private sector. It should also state whether companies should pay their debt to the government or not.

[Reporter] Does this mean that there will be more interventions since we believe that other institutions are in the same situation?

[Sanchez] All legal procedures will be followed.

[Reporter] Would you say that from your last reply we can infer that the same action will be taken against EL DIARIO, which is in the same situation as the Sheraton Hotel?

[Sanchez] I do not have an in-depth knowledge of the problem involving EL DIARIO. Those ministers charged with collecting the government credits should know, namely the finance and the planning ministers. As you know, these issues do not fall under my jurisdiction. [end recording]

COB Supports Government Action

PY111715 La Paz Cadena Panamericana in Spanish 1130 GMT 11 Jun 85

[Text] In a communique sent to Panamericana, the Bolivian Labor Federation [COB] has requested that the government treat all of its debtors as it treated the Sheraton and Crillon Hotels. The communique voices hope that the measures taken against the above hotels were not prompted by biased interests.

The COB communique concludes by stating that in line with its role of protecting the workers' interests, the COB has high hopes that the administrative council, which will start managing the hotels today will act responsibly.

COMMERCIAL OFFICES TO BE OPENED WITH USSR

PY052327 Rio de Janeiro O GLOBO in Portuguese 4 Jun 85 p 19

[Text] Brasilia -- Brazil and the USSR will open joint offices to sell their products to third countries in Asia and Africa. Brazil expects to sell agricultural equipment and the USSR tractors. The commercial offices will be established upon conclusion of the negotiations next month.

The two governments want to facilitate the sale of their products in those countries where the traffic of Brazilian or Soviet goods is restricted. For example, Chile purchased 2,000 Soviet tractors in 1972 and cannot buy replacement parts because the two governments have discontinued their diplomatic relations. A Brazilian-Soviet commercial office can handle this.

Soviet Commercial Attache Vladislav Kurenkov did not report the number of commercial offices to be opened by the two governments or the quantity of merchandise to be sold to third countries. According to the diplomat though, this will be an attempt to change the economic and commercial profile of the two countries, whose trade has declined year after year.

The USSR wants to change its commercial profile with Brazil and, in addition to bringing the balance of trade to a position of equilibrium, the Soviets want to change the list of traded products. Bilateral trade last year registered \$438 million and \$111 million in Brazilian exports and imports, respectively. Negotiations are already under way at Itamaraty.

The Soviets will no longer sell oil to Brazil because of high production and transportation costs. They will just comply with a contract signed with the Brazilian Petroleum Corporation which provides that the USSR will supply 1.5 million tons of oil in 1 year. However, the USSR wants to increase sales and sell new items such as ships, particularly hydrofoils, amphibious vehicles, planes, and helicopters to serve on oil platforms. The Brazilian Government still has to state whether it will agree to the Soviet proposal involving the purchase of energy production equipment.

SOVIET DELEGATION NEGOTIATING WITH SUNAMAM

PY051705 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 May 85 p 18

[Text] Rio de Janeiro -- The seventh round of negotiations of the Joint Brazilian-Soviet Maritime Transport Commission which began on Tuesday between the National Superintendency of the Merchant Marine [Sunamam] and the Soviet delegation headed by Boris Trunov, deputy minister of the Maritime Fleet, will end tomorrow. The subjects under discussion include the variations in statistics, one item which, according to Sunamam, always differs due to the different criteria adopted by the two countries balancing their transported freight; transport efficiency, especially concerning the increasing use of containers; and the improvement of services.

According to the balance of Brazilian exports to the Soviet Union in 1984, supplied by Sunamam, Brazilian ships transported 143,300 tons of bulk cargo, collecting \$10 million for the freight. Soviet ships carried a much larger share of the cargo: 982,400 tons, collecting \$35 million. The overall freight transported was much less, however, than that transported in 1983, when 2.5 million tons were transported, which generated approximately \$145 million.

The movement from the Soviet Union to Brazil also dropped in 1984, when 609,000 tons were transported for almost \$23 million, against 796,000 tons in 1983, which generated more than \$25 million. Soviet ships last year transported only 6,100 tons of Brazilian imports, collecting only \$290,000, while Brazilian ships transported 603,600 tons, collecting \$22.5 million.

The five Brazilian enterprises carrying freight from Brazil to the Soviet Union are: the Lloyd Brasileiro, the Paulista, the Docenave, the Frota Amazonica, and Alianca.

EMBRAER 'SECRETLY' ASSEMBLES AMX SUBSONIC FIGHTER

PY101850 Rio de Janeiro O GLOBO in Portuguese 9 Jun 85 p 23

[Excerpt] Sao Paulo -- Assembly of the fourth prototype of the AMX tactical subsonic fighter is in its final stage. The work has been secretly carried out in a section of the Brazilian Aeronautics Company [Embraer] and not even unauthorized Embraer personnel can enter the area. The AMX fighter, a joint project undertaken by Embraer with Aeritalia and Aermacchi, will make its first flight in Brazil in September. The Brazilian Aeronautics Ministry has already made arrangements with the Italian partners of Embraer for special test flights for the specialized world press, especially for three Latin American countries which have already expressed interest in purchasing this aircraft.

JUSTICE MINISTRY COMMUNIQUE ON AGRARIAN REFORM

PY051330 Rio de Janeiro O GLOBO in Portuguese 1 Jun 85 p 3

[Text] The following is a communique from the Justice Ministry;

The Justice Ministry in accordance with its responsibility would like to convey to the nation the following:

I. After the new agrarian policies of the government were disclosed, several reactions have been noted and some of them have created unrest in various parts of the country.

II. The government will not retreat from its goal of fulfilling the program of the Democratic Alliance on this matter in accordance with its commitment to the nation. Therefore, the implementation of agrarian policies is to ensure the fixing of realistic minimum prices and the formation of stocks of goods; the agrarian reform will be in accordance with the Land Statute and to improve the living conditions of the farmers.

III. The democratic government has the duty to preserve peace and not neglect its responsibilities. In this regard, the Justice Ministry, in compliance with instructions from President Jose Sarney, is giving instructions to governors of all states in which it is requesting their efforts to ensure the right over legitimate property, and to prevent incidents from taking place. The violation of private property will not be tolerated at a time when the government has definite plans to solve the land problems of the country.

The Federal Government reserves for itself the right to adopt other measures in accordance with the Constitution to comply with its responsibilities to the nation.

DEL VALLE ON CREDIT NEGOTIATIONS, EASTER ISLAND

PY110342 Santiago Radio Chilena in Spanish 2330 GMT 10 Jun 85

[By Jose Francisco Contreras]

[Excerpts] Foreign Minister Jaime del Valle today recognized that the United States has continuously mentioned the importance it attaches to democracy, but he said that there is no relationship between this U.S. position and the negotiations with the private banking system, and much less with the Easter Island issue. He also denied that an agreement has been signed with NASA on the use of the Easter Island airfield.

The minister denied press reports published on 9 June on an alleged agreement reached with NASA for the landing of space shuttles in emergencies. Del Valle said that no previous agreement has been signed and that the ministerial commission will continue to analyze the U.S. proposal this week and will submit its recommendations to the president in the next few days.

Asked about alleged conditions imposed by the international banking system, the U.S. Department of State, and the U.S. Treasury to support credits granted to Chile, the minister said that all the conditions are financial. Minister Del Valle denied that the granting of these credits was conditioned on the lifting of the state of siege.

Concerning the statements by U.S. Ambassador James Theberge that in all the negotiations undertaken with Chile the United States has mentioned the importance it attaches to democracy and to the lifting of the state of siege, Del Valle recognized that the United States has maintained that position. However, the minister pointed out that this has nothing to do with the credits Chile has requested and much less with the Easter Island project. Concerning the United States' mention of democracy and the state of siege in Chile in the negotiations with our country, Del Valle said:

[Begin recording] This is obvious; they have always said it and endorsed it on every occasion. We cannot deny it. But I do not see any relationship between these two issues. [end recording]

BOLIVIANS OWE U.S. \$770,000 FOR RAIL SERVICE

PY101320 Paris AFP in Spanish 1608 GMT 9 Jun 85

[Text] Arica, Chile, 9 Jun (AFP) -- Rodrigo Navarro, manager of the Chilean Railway Enterprise, said today that the Bolivian Government and the Bolivian people who use the Arica-La Paz railway line owe the line approximately 116 million pesos (approximately \$770,000). The official stressed that this year cargo service to Bolivia from Arica, 2,100 km north of Santiago, has been provided practically free of charge, despite the difficult economic time that the Arica-La Paz railway line is currently experiencing.

It has been learned that this abnormal situation will be reported to President General Augusto Pinochet so that he can implement negotiations at the government level that will permit the railway line to collect the debt. Navarro indicated that in accordance with the peace, friendship and trade treaty signed by the two countries in 1904, the Chilean railway line has fully carried out its task, and has never received a complaint, neither from the Bolivian Government nor from the Bolivian people who use the service.

GOVERNMENT ABIDES BY COURT VERDICT ON PRESS

PY120312 Santiago Radio Chilena in Spanish 2330 GMT 11 Jun 85

[Excerpts] During a session this afternoon, the government junta approved the constitutional organic draft law for the states of exception, abiding by the verdict issued by the Constitutional Court on the press. The draft law was then submitted to President Augusto Pinochet, who will promulgate it.

Commenting on the approval of the draft law, Legislative Commission President Admiral Jose Toribio Merino said that we agree with the Constitutional Court's verdict because the court quite clearly stated that if a report is bound to cause alarm among the public, it must be questioned.

The junta also approved a Supreme Court report on the draft law on political parties, which was submitted to the fourth legislative commission headed by Lieutenant General Cesar Raul Benavidez.

FPMR CLAIMS RESPONSIBILITY FOR HOTEL BOMBING

PY111438 Paris AFP in Spanish 0305 GMT 11 Jun 85

[Text] Santiago, 10 Jun (AFP) -- The clandestine Manuel Rodriguez Patriotic Front (FPMR) today claimed responsibility for the explosion of a powerful bomb in the Carrera Hotel in downtown Santiago across from La Moneda Palace. The explosion did not cause any casualties.

An anonymous caller who identified himself as a member of the leftist organization told AFP and other international agencies that the explosion coincided with President Augusto Pinochet's return to Santiago. The unidentified individual said that the explosion was caused by a noise bomb set off by FPMR members, which was not intended to cause casualties among innocent people, and which was planted in a room of the hotel to create a shock wave without injuring anyone.

The unidentified man said that the FPMR has been active since last March in a campaign called: "Against the Tyranny, the People on the Offensive", an action that included the rescue 1 week ago of Fernando Larenas from a clinic. He added that they are going to continue actions related to this campaign over the next few days.

In mid-February a bomb exploded in a hotel in Concepcion, 525 km south of Santiago, killing two government policemen. The proscribed Movement of the Revolutionary Left (MIR) claimed responsibility for this action.

CONSTRUCTION WORKERS LEADERS FREED ON BAIL

PY080154 Santiago Radio Chilena in Spanish 2300 GMT 7 Jun 85

[Text] The Appellate Court of Santiago has ordered the release on bail of Sergio Troncoso, president of the Construction Workers Confederation, and Jose Figueroa, (Estorcio) Rivera, and Manuel Bustamante, leaders of the same organization. The bail was ordered after consultations were made with Judge Arnoldo Dreyse, who indicted the construction leaders for violating the state security law. Judges Marta (Oza) and Raquel Campuzano voted for the release of the prisoners, while the other judge voted against it. The bail was fixed at 2,000 pesos each.

URUGUAY'S IGLESIAS ON DEMOCRACY, FOREIGN DEBT

PA091443 Bogota Television Service in Spanish 0100 GMT 9 Jun 85

[Text] Uruguayan Foreign Minister Enrique Iglesias visited Bogota this week to work on preparations for a visit to Colombia by Uruguayan President Sanguinetti scheduled for 1-4 August. Here is an interview conducted by our director, Maria Teresa Herran:

[Begin recording] [Herran] What are the greatest threats to the recently restored democracy in Uruguay?

[Iglesias] First, let's discuss the hopes that exist in Uruguay today. We have confidence in the national climate that has prevailed since President Sanguinetti assumed power: a climate of dialogue, participation in the important national decisions, joint participation by political leaders, and the reconstruction of our republican institutions. That is what counts.

[Herran] What is the Armed Forces' attitude in view of this democratic evolution?

[Iglesias] They have supported it. The Armed Forces are part of the country and its institutional structures. In this sense, they must carry out the professional duties entrusted to them.

[Herran] Let us now discuss a very serious problem: Latin America's foreign debt. What do you think the solution to the problem will be?

[Iglesias] I would say that the foreign debt problem continues to be the main issue affecting Latin America's economy today. It affects some countries more than others; it is certainly more serious in the case of Uruguay than it is for Colombia.

[Herran] What is Uruguay's current foreign debt?

[Iglesias] It totals approximately \$5 billion, but our gross national product is also \$5 billion. Thus, 100 percent of our annual national production is tantamount to Uruguay's foreign debt. That's a lot of money. It is difficult to grow under these conditions. With regard to this issue, the important thing is that the solutions are temporary. A real, in-depth solution to the problem has not been found.

[Herran] What would you say is the balance 1 year after the Cartagena Group?
[as heard]

[Iglesias] Positive. We have a certain representativity in the international field. We are recognized as spokesmen with a responsible, authorized opinion.

[Herran] Would you say industrialized countries are reluctant to establish a political dialogue concerning the foreign debt problem?

[Iglesias] Yes, they are very skeptical. However, I think that we must continue talking because there is no other alternative but to improve the international atmosphere within which we negotiate our debts. It is fundamental for the industrialized nations to understand that we want to pay and that we are paying at the sacrifice of our nation. However, we also want to grow to be able to export and pay. We want positive, not negative adjustments. [end recording]

1350 The Uruguayan foreign minister favors the renegotiation of the Latin American external debt multilaterally as well as bilaterally, taking into account the specific conditions of each country. The Latin American problem in general is a lack of ready cash. Its 350 million inhabitants and its natural resources are there to serve as support for the economic recovery with the enviable growth of former years. The diagnoses coincide; it is still possible to survive the crisis if the disturbing ghost of the debt is driven away.

For this reason, there is encouragement today to promote development banks, eliminate financial speculation, and undertake joint efforts for far-reaching social and economic projects. Rather than export capital, as in the past 3 years, Latin America wants it recycled under more favorable conditions. The past squandering of the financial bonanza is expressed today in the scarcity of food, credit, rural aqueducts, technical assistance, and technological research.

Food security has the highest priority in Latin America. The objective is to recover the production of fisheries, cereals, fruits, and vegetables. Another priority is energy security and a third is industrial reactivation to solve the problem of unemployment, encourage technological and vocational development, and promote the development of road and communications infrastructures and, of course, commerce. Such is the letter of introduction of the still unborn new development style.

CATHOLIC NEWSPAPER CRITICIZES AMNESTY LAW

740 PA070523 Bogota EL TIEMPO in Spanish 1 Jun 85 p 4 C

[Text] The Colombian Catholic Church said yesterday that the amnesty law recently approved by Congress is "another cross imposed on the nation's conscience," and described as ambiguous and vague the agreements signed between the government and the subversive groups. The opinion of the church is stated in the editorial of EL CATOLICISMO, the newspaper of the Bogota archdiocese, which refers in its latest edition to the public order situation of the country.

56 In an editorial entitled "The Crosses of the Cyrenians," the editorial points out that "the present generation is facing a serious mission, and its first cross will be to become aware of this mission. The temptation to a lack of responsibility, of thinking that nothing is happening here or that, if it happens, it will be up to others to fix it, is selfishness at its best." It then adds that at the other extreme "is the panic that is playing into the hands of terrorism and halting any possibility of action, justifying itself by the cowardly argument that everything is already lost." The editorial says: "When one sees that, in spite of threats and fears, the men of industry and agriculture continue working hard, then one realizes that the bases for the future are being set. And this feeling is even greater when one sees that devoted workers are cooperating in this task and prefer to do honest work rather than accept the temporary offers of an outrageous revolution." The editorial then adds: "All of them are Cyrenians carrying the cross of peace."

40 Concerning amnesty the editorial points out: "This is another cross imposed on the nation's conscience which is accustomed to the rule of legality, and in spite of the strong reasons why we were opposed to it, it will have to be accepted as one more costly contribution to peace in view of the possible results."

54 The editorial in EL CATOLICISMO adds that there are still many more crosses that must be carried along the path to peace. "Such is the case, for example," the editorial concludes, "of the ambiguity and vagueness of the agreements between the government and the subversive groups. The absence of an ideological movement and the lack of patience to reach results has left the political parties mute and ineffective witnesses of this entire process."

PRESIDENT AGREES DEBTORS STRIKE 'INAPPROPRIATE'

PA111514 Quito Voz de Los Andes in Spanish 1130 GMT 10 Jun 85

[Text] Ecuadoran President Leon Febres Cordero has implicitly agreed with the countries that consider a strike by the Latin American debtor states against their creditors inappropriate. The president touched on the matter when an international news agency reporter asked his opinion of a statement by Colombian Foreign Minister Augusto Ramirez Ocampo reported in an international dispatch that Colombia rejects Cuban President Fidel Castro's proposal that the Latin American debtor countries strike against their creditors by withholding payments.

After pointing out that the Andean Pact is only attempting to find a sensible way to fulfill its obligations, Ramirez stressed that there are no plans to create a debtors club despite the fact that Latin America negotiates its debts with a creditor club. Febres Cordero stated that although it is virtually impossible for some countries to pay their debts due to their serious economic problems, Ecuador is committed to meeting its obligations.

TERAN ON OAS COSTA RICA-NICARAGUA RESOLUTION

PA111454 Quito Voz de los Andes in Spanish 1230 GMT 9 Jun 85

[Text] Ecuadoran Foreign Minister Edgar Teran stated that he believes that the OAS resolution is in line with American international law, the OAS system, and practical solutions in view of the problem at hand, referring to the charges filed by Costa Rica against Nicaragua at the OAS. I am happy that the decision was unanimous, he said. He added: My government closely followed the development of this painful situation on Thursday and Friday, and has made the necessary contacts through our ambassador, Rafael Garcia Velasco, who, coincidentally, is presiding over the OAS Council. We have been kept directly informed of the development of this matter, he said.

TERAN, URUGUAYAN MINISTER DISCUSS RELATIONS

PA111654 Quito Voz de los Andes in Spanish 1230 GMT 9 Jun 85

[Text] The foreign ministers of Ecuador and Uruguay said they are pleased because they have been able to strengthen bilateral relations in the cultural, economic, and political fields. This was stated at the latest meeting held by the two officials at the Foreign Ministry.

Your visit has been both pleasing and fruitful, Ecuadoran Foreign Minister Edgar Teran stated. He pointed out that during this visit some of the aspects related to the forthcoming visit to Ecuador by President Sanguinetti were discussed. On that occasion, many bilateral aspects as well as the joint position of both countries at international forums will be presented.

PRESIDENT BELAUNDE HOLDS PRESS CONFERENCE

PY111755 Lima Radioprogramas del Peru in Spanish 0100 GMT 11 Jun 85

[Weekly press conference by President Fernando Belaunde Terry in Lima]

[Excerpts] [Belaunde] I am happy to have here on my right the war minister, because today we are going to talk with the entire nation about the same subject the two of us have been discussing every Monday. I am at your disposal.

[Monica (Delta), Cadena Panamericana Television Channel 5] Good evening, Mr President. Evidently the events that took place last Friday, 7 June, especially because it was a special day for you and for the entire nation, can be attributed to poor planning. My question is the following: Who will be charged with the responsibility: the Armed Forces, the police, the interior minister, the intelligence service, or [words indistinct]?

[Belaunde] The main responsibility for the crime always belongs to the criminal. There is no doubt that terrorism is responsible for what happened here a few days ago, taking advantage of a day of joy for me, and of course for the entire nation. Of course, it is possible to determine who has the responsibility for security violations. It has never been thought that a stolen car loaded with dynamite could be brought to the Plaza de Armas. Honestly, that had not been foreseen. We have to admit that it surprised us. Police, forces are investigating the case. Of course, this has worried the police, and to a certain extent has served as a warning for a broader operation in the future, perhaps with the aid of the Armed Forces, to establish greater security in future ceremonies.

My greatest hope is that the transfer of power will take place within a normal climate, the country giving a show of unity and prudence and reflecting the position of the overwhelming majority. Obviously, several heads of state, ministers, and personalities representing the cultural and scientific community will come. This will be a great opportunity to see us as we are and not as others would like us to be. Peru is not a country of violence. It has never been violent. The cases of violence are very few, and they have been imported. They are coming from abroad. Let us recall that during my first government there had been a guerrilla movement. However, we all know where it came from. Since this movement experienced a categorical defeat in the country, it went to Bolivia. But who conducted this movement there? A Bolivian? No, it was not conducted by a Bolivian. So, we can see the cards on the table.

During my second government, unable to achieve a victory through the ballot boxes, finding it impossible to prevent a democratic victory, the extremists, manipulated by transnational ideologies chose a path less dangerous for them, but dangerous for the country: the path to terrorism, that is, of committing crimes underhandedly. Above all, when there is danger, terrorists kill women and children first, in an inverse manner to the humane and manly gesture shown in a shipwreck, when women and children are saved first. In this case, women and children are killed first. It is appropriate to say this to show that this movement is not Peruvian.

[Luis (Bruque), EL DIARIO MARKA] Good evening, Mr President. Reports coming from the United States say that Prime Minister Percovich is reportedly negotiating the signing of the commercial air agreement. Taking into account what you had said before, that no step will be taken without consulting the future government, what can you tell us about it?

[Belaunde] Only that he is not negotiating the signing of the agreement, and that it is not the objective of his trip. He is studying with a commission, which has already submitted quite a long report. Naturally this problem worries us, but we only have 40 or 45 days of government left, and any decision that may commit the next government must be presented for consultation. This is our objective. We are not going mad over it. We know that this problem is important and serious, but it would be absurd for us to try to impose our point of view without making the appropriate consultations with our successor.

[Miguel Paredes, REUTER] Good evening, Mr President. News coming from Paris states that through the Air Force commander in chief, today Peru received 2 of the 26 Mirage planes purchased in 1982. Can you confirm this, Mr President?

[Belaunde] No, in fact I think this has been a symbolic presentation, because we are not expecting the delivery of these planes for some time yet. Obviously, the prototypes of these planes must have been at the fair, because they are very modern planes. However, the reports released in this regard are incorrect.

[Paredes] My other question, Mr President, is whether you could confirm for us the arrival next Sunday of members of a UN working group dealing with missing persons. The invitation was extended in November 1984 by the government itself.

[Belaunde] That is true. This working group is scheduled to arrive. This morning we already had an emotional experience. This morning I received the manuscripts we had ordered. It includes an endless list of victims, both civilians and military, especially victims of the police and of the Armed Forces in general. The country will be shocked when it sees this report.

BELAUNDE SEES END OF TERRORISM, CLASHES CONTINUE

PY051700 Paris AFP in Spanish 1926 GMT 4 Jun 85

[Text] Lima, 4 Jun (AFP) -- Police sources today reported that a terrorist commando group has attacked a car carrying several militarymen dressed in civilian clothes along the highway linking Ayacucho to the coast. The attack took place 27 km from Huanta yesterday morning, almost simultaneously with another action in which another subversive group stopped an Army truck on the outskirts of Lima and seized the guns of the soldiers who were traveling in it.

President Fernando Belaunde, who on 2 June traveled without incident along the very same road on which the car with the militarymen was attacked yesterday, stated in the course of his weekly press conference last night that terrorism is on its last legs. Belaunde emphasized that in Ayacucho, the southeastern Andean region where Shining Path insurrectionary activities began 5 years ago, terrorist activities are declining. As to the upsurge of extremist actions in the north of the country, Belaunde said that these actions are carried out by rebels who had to leave Ayacucho under the pressure of the Armed Forces. In a different environment lacking their usual contacts and having to cope with a terrain which they do not know all that well, the terrorists are on their last legs, Belaunde said.

Meanwhile, Navy Commander in Chief Admiral Geronimo Cafferata, who is acting president of the Armed Forces Joint Command, has voiced concern over growing terrorist activities in La Libertad Department, 600 km north of Lima and more than 1,000 km from Ayacucho. Notwithstanding, Interior Minister General Oscar Brush estimated that it is unnecessary to declare a state of emergency in this coastal Peruvian department. Unofficial sources have reported that Shining Path guerrillas and policemen, backed up by peasant militiamen, clashed in the area of Santa Rosa, some 600 km southeast of Lima.

According to the reports 10 guerrillas and 2 militiamen died in this clash. One of the Shining Path guerrillas was allegedly taken prisoner and reported that the guerrillas have withdrawn into the jungles of Ayacucho to undergo further training and to prepare an offensive. The information concerning the above-mentioned clashes has yet to be confirmed by the Ayacucho political and military commander who is in charge of military actions against subversives.

PRESIDENT BELAUNDE MEETS WITH SOVIET AMBASSADOR

PY111432 Lima Radio del Pacifico in Spanish 1300 GMT 11 Jun 85

[Text] Yesterday President Belaunde held a 1-hour meeting with Soviet Ambassador to Peru Anatoliy Filatov. There has been no official report on the topics discussed, but it has been revealed that the discussion focused mainly on fishing matters and the activities of the Soviet fleet in the Peruvian sea, and outside the 200 miles of the territorial sea. The other topic discussed at the meeting reportedly was the payment of the foreign debt through the so-called counterbalanced trade system, by which the debt is paid with traditional and nontraditional Peruvian products.

STATE OF EMERGENCY EXTENDED IN CARRION PROVINCE

PY051330 Lima Cadena Panamericana Television in Spanish 0300 GMT 5 Jun 85

[Text] The government has extended the state of emergency in Daniel Alcides Carrion Province, Pasco Department, for another 60 days because of the acts of terrorist violence persisting there. It may be recalled that Mayor Luis Aguilar, a deputy-elect for the American Revolutionary Popular Alliance, a journalist, and a mineworkers leader were murdered in Daniel Alcides Carrion Province nearly a month ago.

STATE OF EMERGENCY DECREED IN CHIMBOTE

PY062045 Paris AFP in Spanish 2031 GMT 6 Jun 85

[Text] Lima, 6 Jun (AFP) -- Today the Peruvian Government decreed a state of emergency in Chimbote, a key fishing port and iron and steel production center, 450 km north of Lima. The measure was officially announced by Prime Minister Luis Percovich, who said that it was prompted by the ongoing 2-month strike of Chimbote fishermen which, according to Percovich, has political connotations.

SHINING PATH REPORTEDLY SENDS PROPOSALS TO GARCIA

PY101515 Lima Cadena Panamericana Television in Spanish 0130 GMT 10 Jun 85

[Text] It has been learned from American Popular Revolutionary Alliance [APRA] sources in Ayacucho that the Shining Path has reportedly sent it a document which is to be handed over to President-elect Alan Garcia Perez. The document proposes three points to bring peace to the emergency zone. The first point is said to be an amnesty for prisoners accused of terrorism; the second point, economic reactivation of Ayacucho, Abancay, and Huancavelica; and the third, the trial of some members of the police and military forces, accused of having participated in human rights violations. The APRA leadership has not commented about the document which, after all, may be a fake since the terrorists have never shown any signs of wanting a dialogue.

PRESIDENT ADDRESSES NATION ON FIRST 100 DAYS

PY110347 Montevideo Domestic Service in Spanish 2330 GMT 10 Jun 85

[Speech by President Julio Maria Sanguinetti in Montevideo -- live]

[Excerpts] Friends, citizens throughout the country: One hundred days ago we Uruguayans started the difficult but beautiful adventure of rebuilding the democracy that we had lost. On that day we were surrounded by worldwide expectations through the hitherto unheard of presence in Montevideo of heads of state and statesmen from American and European states.

All that solidarity that made us feel proud did not, however, conceal that stalking us was an indebted country; a slumping real salary; a budget drastically lacking in funds; a dizzying drop in production; a seriously disturbed education system that reached a record low after a decade of regression which, in turn, followed a decade of acute conflicts; a country with a serious and mounting inflation rate. To this inflation rate we must add, 3 months before our inauguration, the dizzying jump in the exchange rate of the dollar, the spread of the hyperinflation borne by our neighbors, and the salary hikes cheerfully granted without financial backing, mortgaging the new democratic government. All these facts were a black cloud over our (?great) joy.

Today, 100 difficult days have elapsed, days of struggle, of patient efforts, of testing all our willpower so as not to be carried away by the impatience of those who demagogically are asking for everything, even the impossible, immediately, or by the nervousness of those who ignore how difficult it is to pass from a dictatorship to a democratic government amid long-standing hatred and disputes that are cropping up every minute.

Our main task has been to strengthen the institutions, which has demonstrated to the country that the government is not a Colorado government for the Colorado Party supporters alone, but a truly (?multiparty) government made up of men from other groupings, something which proves that [words indistinct]. No one can honestly state today that [word indistinct] because I have always been (?honest). No party or group can state that it has been neglected. All the parties, without exceptions, for the first time in our political history are represented in the administration [words indistinct] without noticing that this way [words indistinct]. In this way, a (?peaceful) change has been achieved. In this way, the peaceful change is being achieved without new disruptions [words indistinct].

However, there are some people who are adopting a revengeful attitude toward the Armed Forces when, on the contrary, they agreed to negotiate and enter into pacts to achieve a solution. Their peaceful reinstatement in the democratic system must be achieved, trying to heal the wounds that, if reopened, will be an unending source of misfortunes, as we must all understand.

You are perfectly aware that it is not easy to blaze such a trail in the midst of a crisis. You must know that it is not easy to keep the government in the middle and not let it slide, on the one hand, toward those who long for authoritarianism and get upset when the government implements changes wishing to correct past mistakes, and, on the other, toward those who, calling upon vague leftist inclinations, do not resign themselves to the fact that Uruguay has voted for liberal democracy and moderation.

This effort to keep the middle-of-the-road attitude is the most difficult one, but it is the only one open to democrats. Democracy is destined to endure the threats from those who call for conservative authoritarianism or those who advocate these vague, nebulous Marxist paradises which also smack of authoritarianism.

Despite this scenario, the government has not given up its task of protecting the institutions, and the results are there for all to see. We described them during the three TV press conferences we held last week with the ministers. There you saw the concrete results, the concrete achievements, many more than could be expected from a short-term (?administration). These are the facts and accomplishments that we will try to sum up today.

Uruguay has survived the transition from a de facto regime to a democracy. After years of isolation, it has reentered the civilized and international world. The Human Rights Commission closed the Uruguayan case the moment it recognized the validity of our institutionalization. Our consistent actions in defense of Latin American interests regarding the foreign debt within the Cartagena Group effectively demonstrate that we are pushing toward Latin American unity with renewed faith. Our agreements with Argentina, and those that are being negotiated with Brazil and Paraguay, as well as our trade agreements with Iran, Mexico, and Nigeria, prove the reality of our integrational process as well as our realistic and practical diplomacy.

Public expenses have been reduced, thus allowing us to pay salaries without issuing new money. Therefore we were able to start organizing our economy. We also approved an emergency law for education after complex negotiations between the political parties and labor unions. This was an attempt to achieve the difficult: to begin classes on schedule and to normalize the situation of the teaching sector. The fact is that the educational authorities were led by a citizen who does not belong to my party, Professor Pivel Devoto. He acted independently, with autonomy, and we respected this in compliance with the Constitution.

Of course, I realize that there are still some protests. However, I want to clearly point out two things: First, all public employees now have the legal right to protest. This means that all violations can be legally corrected and resolved, and we have opened the door for this. Second, we expect that the central educational council will act with autonomy, and we respect it and are sure that it will act with a spirit of justice and good sense. In turn, the central government will do what is within its ability. We will increase class hours in high schools and the number of teachers in primary schools.

We are now trying to repair the rights that have been damaged, and this is possible. To do this we must now follow two main guidelines: First, we must defend justice as much as we can. The entire country must support this measure inflexibly by drastically eradicating any type of proselytism. Since we are very clear in respecting autonomies, we also demand that proselytism not be allowed within educational fields.

Everyone must clearly understand and respect the concept of justice. This means that no proselytist attitude should be expressed in the classroom, because if one person feels he has the right to do so, then someone else will feel he has the right to do exactly the opposite, and then the country will start falling again into the situation of the past which caused so much [word indistinct].

So, on the one hand we must respect justice, and on the other we must promote an educational reform, because the country has not made any realistic and important pedagogic changes in the past 20 years, and our educational system is obsolete.

Meanwhile, the decline of the purchasing power of salaries has been curbed. I reiterate this, and I ask for the workers' attention. Let me tell you that we managed this only because we started developing a policy that tends to decrease the inflationary rhythm. In only 3 months, we have managed to turn the situation around.

However, it is clear that if in the short term we do not manage to increase production, all our efforts will have been useless. All our social improvements, which we have already started to enforce, depend on our country's economic reactivation. If we do not manage to attend to our social improvements now, it will be nearly impossible to do so in the future.

In order to achieve this reactivation, we have confronted the debt problem with a plan that has already been sent to Congress and which has already been enforced by our state banks.

We are sure that the problem of the immense majority of the industrial and agricultural sectors will be solved automatically, in the manner we had promised. That is, by giving more attention to those who need it most and who are the weakest, and by not issuing more money [licuacion] to pay debts, since this would create greater inflation, as it always has in these cases.

The scope of our solution may be criticized, but we are sure that in a very short time the immense majority will be reasonably served.

We are presently starting negotiations with foreign countries to obtain refinancing, that is, with our creditors and the IMF. There is no other way. We have done everything else possible. This is what we must now do; we must now try to obtain the best possible refinancing.

In order to do this, we must first demonstrate a solid position, such as the one I have just described, a general situation in which our deficit and inflation have started to decrease. In May, inflation decreased since it only reached point 4 something percent in comparison to the preceding months when inflation hit 8, 9, or 10 percent. This means that its rate is decreasing. We have issued new money but we have not done so to pay salaries. We have also adopted a realistic rate of exchange. Within this more tranquil situation, we will be able to refinance our debt.

You can be sure that it will be Uruguayans who will guide our policy and not the IMF. This is why the appropriate ministers have publicly stated our objectives. It is not the IMF which tells us to reduce our deficit. We tell ourselves to do so, and we have said this before. Because if we have not learned that in order to improve we have to reduce the deficit or if we follow the demagogic trends that sometimes affect these issues, we will be making a mistake. If we learn this, we will be able to grow and defeat the deficit.

Industry has and will continue to be a basic source of employment and we expect it to continue to offer the maximum [words indistinct] possibilities. We are aware that the industrial sector is approaching its (?financial) limits but this is about to be changed. We are also aware that the labor situation is affecting the industrial sector. We are aware that people are abusing their right to strike.

This is undoubtedly a very sensitive issue. At this time we would like to reassert an appeal in this regard since it is not possible for a country that is struggling to export goods struggling in an international market filled with obstacles and selfishness, to face a strike in each strategic export [words indistinct] market. This is not possible and it is unpatriotic. Right now, because of the labor conflicts at the cold storage houses we may lose a highly-prized business deal with Iran. The conflict affecting the fishing sector is undermining an industry that was just emerging. The textile industry is still paying the consequences of the strike that affected that sector sometime ago. The situation has reached such a level that even the USSR is fining us heavily for delays in our delivery of blankets.

We are aware that the salary situation is difficult, but people cannot ignore the fact that we are making an effort and that even for the first time in many years, the real salary has not decreased. [passage indistinct]

We are aware that a union sector that has been paralyzed for almost 11 years feels compelled to express itself. We are also aware that there are new people who are expressing their energy and their will to protect by resorting to [words indistinct] measures. We are aware of all this. But we are also aware that by abusing the right to strike both the country and the workers lose. When there is no definitive objective supporting a strike, as unfortunately has happened in some cases, such as in the case of judicial employees, it is the employees who are harmed in the end. In this particular case, the judicial employees were included in the group of public employees who were granted the highest percentage of salary increases along with employees from the children's council, public health services, and other services. But they rejected this offer. Perhaps they did so because they were not aware that it was impossible for the government to grant them higher salary increases without granting the same salary increase to other government employees who were confronting the same or an even worse situation. This is so because there was not enough for everyone.

I was shocked to learn that they were surprised that their salaries would be docked for those days that they did not work, as if this were not the norm anywhere in the world. This is not a punishment. People confuse terms. They could have been some legal repercussions, but they were disregarded so as not to cause further deterioration of the situation. But it is not a punishment to dock salaries for those days that have not been worked. This has always been recognized by the union movement.

I was also shocked to learn that they thought it strange that they were not paid their salaries while the strike was in force. I wonder: Have you ever seen a strike that is lifted just on paydays?

Had anyone told these young labor leaders that there was a union strike? What is more, if employees from a certain sector have not worked for 2 months, they have nothing to be paid for. Therefore, the alternative is to undertake negotiations so that lost salaries may be deducted in installments, so that solutions may be sought. But if there are no negotiations, there are no solutions.

These are just examples, but they show the extent of misinformation that the union sector is today experiencing and how it is harming this sector. Moreover, this is creating a rift between the Union movement and the people because the people do not want this. They have even demanded that the government enforce certain measures. The government, however, has been prudent because we want to avoid unfortunate situations and because we are confident that these gestures will persuade people that [words indistinct] do not lead anywhere. Undoubtedly, the only ones harmed by all this are the workers. Of course, we are not discarding the possibility of issuing labor laws that will not only safeguard the right of unions to strike but also safeguard society from the excesses (?that may occur during these strikes). However, we still believe that (?a consensus) is far better than any law. A mature attitude would lead to a more stable situation. [passage indistinct]

We feel we represent workers just as much as [words indistinct]. We represent workers at the political level just as unions represent them at the labor level. We won the elections because workers voted for us, since elections cannot be won in any other way. This is why we say that workers are interested in taking more money home, in improving their standard of living, and in living in peace. This is not achieved by holding constant stoppages at a crucial time such as the one the national economy is experiencing today.

We are perfectly aware that today the union and educational sectors are the Achilles heel of Uruguayan democracy, but we are confident that we shall achieve a normal atmosphere in these sectors. Moreover, we shall continue to provide a proper atmosphere of peace and stability so that institutional life will not be affected. But people must also know that it is very dangerous to create an atmosphere of unrest and uncertainty in their own homes.

Only 3 months, 100 days, have elapsed but it seems that instead of 3 months, 3 years have gone by. So much has been done that the entire country is truly experiencing this feeling of hope, but we have 5 hard years ahead of us. During these 5 years we must make a great effort. [passage indistinct]

Our challenge at this time is to show Uruguayan society that democratic institutions [passage indistinct] so that the young may feel proud of being Uruguayans. [passage indistinct]

We are expressing ourselves clearly, and we are telling all Uruguayans that the future depends on us, the government, and on all Uruguayans. The government can help but it cannot replace the initiative of businessmen, industrialists, farmers, or the spirit of workers. If they fail to produce more, there will be nothing the government can do.

This is the way the situation stands. (?There are the facts). Let us begin by respecting the will of the people. I was elected to act with moderation. Therefore, I must respect the will of the majority of Uruguayans. I was elected to implement a realistic economic recovery program within a democratic context. Therefore, this must be respected. No one has the right to forcefully impose his will and even less so if one is aware that this is not the will of the majority. The people are best represented by the government because it was brought to power by the people.

Friends, we have only had 100 days of democracy. In these days we have at least started on the correct path. Therefore let us consolidate this effort. Let us not expect miracles, or expect others to do what we must do ourselves. Let us multiply our efforts within our proper sphere of work. Only thus shall we be able to strengthen (?the Republic). However, you can be certain that the government will [words indistinct] and that it will fulfill its commitment [words indistinct] the enforcement of freedoms and the prevalence of social order which is imperative if we are to exercise these freedoms. We shall not hesitate in this. All rights will be defended but no right will be exercised at the expense of (?others). This is why we shall continue to uphold, as we have been doing, the right to strike, and we shall also do everything possible to respect the individual rights of those who want to strike. This is why we shall also [word indistinct] political freedoms but those who (?threaten) democracy will have to confront us in all our strength. (?Do not be afraid). Democracy is here and it will continue to prevail. We shall continue to enjoy a firm and long-lasting democracy because we shall not sit idly by to witness its destruction. We are in the process of rebuilding democracy and we shall be successful in our objective. We have a democracy and we shall continue to have one. Good night.

DELAY EXPECTED IN BEEF SHIPMENT TO IRAN

PY071935 Montevideo Radio El Espectador Network in Spanish 1000 GMT 7 Jun 85

[Excerpt] Agriculture and Fishing Minister Roberto Vazquez Platero has announced that there is a risk that the first beef shipment to Iran may not be made on the date agreed, since the meat-packing plants preparing this shipment are experiencing a labor conflict. Minister Vazquez Platero added that the meatpacking plants see virtually no possibility of complying with the agreement. Vazquez Platero has reported this situation to the president of the Republic, with whom he also discussed the repercussions of a failure to deliver the beef.

DELEGATION TO INVESTIGATE AREA BORDER INCIDENTS

PA111500 Caracas Television Service in Spanish 1600 GMT 10 Jun 85

[Text] As a member of the Contadora Group and as a means to prevent new conflicts in Central America, Venezuela has officially agreed to investigate the border incidents between Costa Rica and Nicaragua. The Costa Rican Government stated that armed clashes are taking place on its borders. In other words, according to the Costa Rican charges, Nicaragua is carrying out armed incursions into its territory. For its part, the Nicaraguan Sandinist regime rejects Costa Rica's charges. That is precisely Venezuela's mission: to investigate the truth of the circumstances.

Venezuelan Foreign Minister Simon Alberto Consalvi announced that Venezuela has accepted the OAS Permanent Council's request to undertake the investigation. The name or names of the Venezuelan delegation for that Central American mission are not yet known. According to the foreign minister, President Lusinchi will make the appointment in agreement with the other Contadora Group countries.

There are initial proposals for a possible demilitarized zone between Costa Rica and Nicaragua, but this formula depends on the mutual acceptance by those nations.

OFFICIAL DENIES LENINISM TAUGHT IN NICARAGUA

PA111739 Madrid EFE in Spanish 1640 GMT 10 Jun

[Text] Caracas, 10 Jun (EFE) -- Joaquin Solis Piura, president of the Nicaraguan National Council for Higher Education, stated here that Sandinism is taught in Nicaragua, and not Leninism, as the enemies of the revolution charge.

Solis Piura participated in the Symposium on Education for Peace organized by the UN university for peace and Venezuela's Newman Foundation that ended over the weekend.

In remarks to journalists, the Nicaraguan official denied a Venezuelan newspaper's statement that admiration and devotion toward Vladimir Ilich Lenin is taught in Nicaragua through an education program called Carlitos.

He stressed that the Carlitos educational program has nothing to do with Lenin and added: We speak of Sandino as you speak of Bolivar. He indicated that Venezuela and the rest of the Andean countries are Bolivarians and that the Nicaraguans are Sandinists. He explained that when they speak of Sandinism they are referring to the finest tradition of struggle, glory, sacrifice, abnegation, and the finest virtues of our people symbolized by Sandino, who is the greatest Nicaraguan the country has ever had.

He said none of the textbooks speak of Lenin. He added that there might be a quote, as one might quote Bolivar, Marti, and all the great men of history, but this does not inculcate love of Lenin or create a personality cult around Lenin or even Sandino.

Regarding the Cuban presence in Nicaragua, he said that there are currently more U.S. professors than Cubans, but no one mentions that. They only mention the Cubans. He indicated that out of 1,400 higher education professors, 320 are foreigners, including Cubans, North Americans, Soviets, Mexicans, Spaniards, Venezuelans, and many other nationalities. This shows that foreign cooperation in the education field is varied.

ENERGY SECRETARY LABASTIDA OCHOA ON OIL MARKET

PA091229 Mexico City XEW Television Network in Spanish 1300 GMT 8 Jun 85

[Text] Upon returning to Mexico City last night, Francisco Labastida Ochoa, secretary for energy, mines, and parastate industry, asserted that Mexico will continue seeking to stabilize the oil market and will step up its actions to defend Mexico's interest. In Ta'if, Saudi Arabia, he attended a meeting of eight OPEC countries. Labastida Ochoa said that during the meeting they discussed a particularly difficult oil market that risks a collapse. He said that after meeting with the PEMEX director, the secretaries for commerce, planning, and finance will report to President De la Madrid in order to reach a consensus on the actions to be taken prior to the next OPEC meeting on 30 June.

[Begin Labastida recording] I want to stress that we will do this of common accord in such a manner that Mexico can defend its interests. Of course, we need to continue selling oil. The country's revenues from oil sales should not be affected. [end recording]

This will be done without eroding the market and affecting our planned goals. Labastida Ochoa reported that as of the end of May oil exports have caused a decrease in the country's revenues, making them \$270 million less than those planned. He said revenues have been reduced, but that this has not caused an unmanageable loss. Labastida Ochoa stressed:

[Begin recording] Pressures on the oil market are difficult, perhaps the most crucial we have experienced over the past 2 and 1/2 years. We cannot be sure if we will be able to successfully control the market. [end recording]

Regarding Mexico's situation before the international oil market, Labastida Ochoa said:

[Begin recording] We will not increase our export volume. [end recording]

Policy To Be Maintained

FL111601 Mexico City NOTIMEX in Spanish 2010 GMT 9 Jun 85

[Excerpt] Mexico City, 9 Jun (NOTIMEX) -- In the face of the international oil crisis the Mexican Government will maintain its oil policy even if prices are decreased because it will not participate in either the so-called war of prices or the free market. The announcement has been made by the Energy, Mines, and Parastate Industry Secretariat and PEMEX, both of which asserted that the world's energy problems were originally caused by indiscriminate increases in the oil exports of certain countries. They added that price reductions result from pressures, a decline among consumer nations, the excessive capacity of the available installations and, in general, non-fulfillment of the commitments established by OPEC.

PEMEX Increases Production

FL112040 Mexico City NOTIMEX in Spanish 1818 GMT 10 Jun 85

[Text] Mexico City, 10 Jun (NOTIMEX) -- PEMEX increased its production of crude oil to 234,637.6 barrels, which is equal to a 24.2-percent advance toward the annual objective.

This was announced by the Secretariats of Finance and Public Credit and Planning and Budget in their 1985 quarterly report. The report specified that productive advances were made primarily in the domestic commercialization of oil, obtainment of petrochemicals, exploitation of natural gas, and production of Mexican rubber. Each of these productive areas increases its internal and external financial capacity by increasing its exploitation, commercialization, and exportation levels, in addition to increasing foreign exchange and sources for Mexican employment.

The report also indicated that regarding investments, those projects that will permit the energy industry to achieve its production and commercialization programs on a short-term basis and will lead to an adequate growth of the petroleum infrastructure so that exploitation of national resources can be continued.

As for the external commercialization of oil, favorable results were obtained with the sale of oil derivatives such as petrochemicals and natural gas in the international market, thus advancing by 24 percent toward goals established for 1985.

INCREASED TRADE SOUGHT WITH CEMA COUNTRIES

FLI01652 Mexico City NOTIMEX in Spanish 2115 GMT 10 Jun 85

[Text] Mexico City, 8 Jun, (NOTIMEX) -- The Mexican Foreign Trade Institute (IMCE) has reported that Mexico has a \$5-million trade surplus with Poland through April. The above was included in IMCE's report on the decision and desire of Mexico's export sector to increase negotiations with the CEMA countries which glut the European socialist bloc.

IMCE said that Mexican businesses participating in the international fair in Poznan, Poland from 9-16 June would sell high-quality products to promote their goods in that European country. IMCE added that Mexico's exhibit in the fair will include energy cables, industrial rubber boots, car batteries, metallic cadmium, raw tobacco, drinks, oil, lemon distillate, coffee, fruit, and canned juices.

ELEVEN LEFTIST GROUPS FORM NEW COALITION

PAI01726 Paris AFP in Spanish 1328 GMT 10 Jun 85

[Text] Mexico City, 10 Jun (AFP) -- A total of 11 Mexican leftist groups agreed to establish an organization called the National Unity of the Revolutionary Left [Unidad Nacional de Izquierda Revolucionaria-- [UNIR]] "in order to have a single, indivisible, true revolutionary left capable of conducting the popular struggles." The agreement reached by popular parties and organizations is aimed at "promoting struggles by the masses to defend workers' rights in rural areas and cities and the country's independence, in favor of the oppressed people, and for a broader democracy and participation in Mexico."

Rosario Ibarra de Piedra, former presidential candidate for the Revolutionary Workers Party, who has been nominated for the 7 July legislative elections, was the only speaker at the event. She urged all other leftist organizations to join this agreement to promote "more and new ways of struggle."

REPORTAGE ON DE LA MADRID'S VISIT TO UK

For London and Mexico City coverage of the visit to the United Kingdom by President De la Madrid including his meetings with British Prime Minister Margaret Thatcher, see the United Kingdom section of the 12 June Western Europe DAILY REPORT and subsequent issues.

COSTA RICATOWER SUPPLYING POWER TO NICARAGUA DESTROYED

PA111958 San Jose Radio Impacto in Spanish 1833 GMT 11 Jun 85

[Text] A terrorist attack was carried out today at the installations of the Costa Rican Electricity Institute [ICE] in Bagaces where the ICE towers that carry electricity to Nicaragua were destroyed. The report released by the Rural Guard press office follows:

[Begin unidentified Rural Guard spokesman recording] We want to report to the country that those responsible for this terrorist attack were arrested during an operation early this morning by Rural Guard Colonel Emilio Matamoros Navarro, director of the regional [word indistinct] in the north. We want to tell the country that at 0330, one of the ICE towers located in Salto de Bagaces, this is one of the ICE towers that carries electricity to Nicaragua. [sentence as heard]

The official report we have indicates that at 0540, a telephone call was received at the Rural Guard post in Naranjo requesting that the Rural Guard in Liberia be told that the towers carrying electricity to Nicaragua were mined. The Naranjo Rural Guard immediately carried out an operation to close off all of the roads. They were able to intercept a vehicle with license plate number CN 45103 with two people inside. The vehicle was a white Datsun with tinted glass and was traveling north. When the vehicle was searched, the police found four fragmentation grenades inside a box, a 32-caliber [word indistinct] pistol, and an envelope containing a letter from Mr Rodrigo Fournier [not further identified] to radio and television stations. It is believed that this was a communique to be issued after the terrorist attack. The police also found two pairs of gloves, a .38-caliber [word indistinct] revolver with 6 bullets in the chamber, and 8 loose bullets, 2 cartridge belts, one rural guardsman uniform, a cap with a lieutenant's bar, a small [word indistinct] suitcase with underwear, a pair of tennis shoes, a man's bag with personal articles, a raincoat, a detonator, a shovel, a knife, a small suitcase with camouflage fatigues and clothing, an approximately 12-inch dagger, 4 ropes, a roll of masking tape, and a flashlight. The vehicle was equipped with a radio and a compass. There was some small change and 10 colones in bills in the glove compartment.

We want to report that we are holding two people in regard to this terrorist attack. They are Juan Jose Saborio Campos, identification card No [figures indistinct], and Ricardo Alberto Saborio Campos, identification card No 1-514123. They are apparently brothers. Ricardo Alberto Saborio Campos has a Rural Guard identification card, and we are investigating the origin of the card and the rural guardsman uniform. We want to tell the country that these men are not members of the Rural Guard. The uniform and card were probably stolen. We are investigating this.

The damage to the ICE is extensive. The reports that we have indicate that the tower was completely blown up. High power explosives were used in the attack. I repeat: We are holding those responsible for the attack. [end recording]

The ICE will increase security measures at its installations to prevent terrorist attacks such as the one that was staged today. ICE press official William Solano gave details on the attack at one of the ICE towers in Bagaces:

[Begin recording] A 230-kw tower of the Canas-Liberia transmission line located 1 km from (Salto de Liberia) was toppled at 0150 allegedly as a result of a sabotage action.

This action left the northern region of Guanacaste and Liberia without electricity. (?This is) the interconnection line with Nicaragua and Honduras. Despite the above, [words indistinct] was reestablished through an alternate line at (?0300). The tower costs approximately 500,000 colones. We have yet to begin [words indistinct] the investigation process. [Words indistinct] can mention that if this continues, we would stop receiving a considerable amount of dollars because we have been exporting approximately \$350,000 worth of electricity to Nicaragua. [end recording]

Responsibility Claimed

PA120356 Paris AFP in Spanish 0221 GMT 12 Jun 85

[Excerpt] San Jose, 11 Jun (AFP) -- According to a communique disseminated by local news media, a previously unknown organization called "Homeland and Freedom" [Patria y Libertad] claimed responsibility for the attack early this morning on one of the main pylons distributing energy to the country's northern area and Nicaragua. The document confiscated by the Rural Guard from two individuals is dated 10 June and stresses that the movement's purpose is to "recover people's dignity" in the country. In addition, the document notes as one of its objectives the suspension of the supply of electrical energy to Nicaragua through the destruction of pylons. The movement also demands that the Costa Rican Government immediately collect on Nicaragua's debt "of more than \$200 million" for energy already supplied.

"Homeland and Freedom" -- its name evokes a Chilean far-right terrorist organization that helped oust Salvador Allende's government in 1973 -- has announced that it will mine the area where the electric energy was cut off. The organization also asserted that, after some investigations, it is aware of relations between several Costa Rican authorities and "criminals and communist groups." "Homeland and Freedom" appealed to "all and every one of our fellow countrymen" to find out "who are your neighbors, who visit them," and their activities in their communities. The organization said that they will collect this information later "for the benefit of the Costa Rican people."

The appearance of this group coincides with a far-right escalation in the country and the appearance of self-styled "civic groups" that have carried out an intensive anti-Sandinist campaign.

GUTIERREZ ON OAS INVESTIGATING COMMISSION

PA112256 San Jose Radio Reloj in Spanish 0100 GMT 11 Jun 85

[Text] Once again Costa Rican Foreign Minister Carlos Jose Gutierrez has reiterated the Costa Rican Government's full confidence in the work to be carried out by the OAS investigating commission. He said that Costa Rica wants to determine who is to blame for the deaths of two civil guardsmen and the wounding of seven others on a routine patrol mission at the border area of Las Crucitas. Saying that Costa Rica does not harbor any doubts regarding the origin of this aggression, Gutierrez said that he will await the results of the investigation to make any further comments.

Regarding the safety of the members of the OAS investigating commission, which must go to the border area where clashes occur between rebel forces and Sandinist troops, Gutierrez said the commission members will receive every necessary protection. He also said that the Managua government will be properly informed so that its military officers at the southern border can be fully aware of the OAS investigating commission's fights and movements in the area. He added: The OAS will also duly report to the Nicaraguan Government on the mission's movements.

POLICE DIRECTOR ON NICARAGUAN EMBASSY ATTACK

PA112321 San Jose Radio Reloj in Spanish 0100 GMT 11 Jun 85

[Text] Colonel Oscar Vidal, director of the Civil Guard, denies that his men acted slowly during the violent demonstration in front of the Nicaraguan Embassy at noon today [10 June]. Several hundred citizens, most of them members of the Free Costa Rica Movement [MCRL], expressed their opposition to the Sandinist government by stoning the embassy, breaking windows, and causing other damage. The riot police arrived at the embassy approximately 45 minutes after the protest began.

The Civil Guard director said that his men did not arrive at the Nicaraguan Embassy earlier because what took place was unforeseen, and time was needed to organize the operation. He also said that the delay was due to the fact that communications and transportation in the Public Security Ministry is not the best. Col Vidal also referred to the shots that supposedly were heard coming from inside the embassy during the demonstration. He said that no shots were fired and that what occurred was that the firing of the tear gas produces a sound that is usually confused with the shots of a .22-caliber weapon. Nevertheless, he said that in order to determine exactly what happened, the area near the embassy was checked but no bullet holes were found.

Col Vidal said that no demonstrators were arrested since the damage to the embassy was minor and the police were unable to identify any leaders of the protest. The demonstrators broke practically all the windows, broke open the garage door, and pulled down the Nicaraguan flag and seal.

The Intelligence and Security Directorate [DIS] had known that there was unusual activity near the Nicaraguan Embassy since 1000. DIS Director Sergio Fernandez said that he received a report at that time that suspicious individuals were near the embassy so he sent agents to gather information, but not to protect the embassy. The DIS director said there is no need to investigate the MCRL because that organization is not clandestine, and it publishes reports about its activities in the news media, therefore, there is little to investigate.

SOCIAL CHRISTIAN UNITY PARTY ON BORDER INCIDENT

PA111448 San Jose LA REPUBLICA in Spanish 2 Jun 85 p 36

["Position Statement on the Aggression at the Northern Border" issued as a paid advertisement by the Costa Rican Social Christian Unity Party -- date, place not given]

[Text] In response to the cowardly ambush carried out against the members of the Costa Rican Civil Guard on the northern border several hours ago, the Social Christian Unity Party states:

1. We emphatically condemn the attack against the Civil Guard members. They are humble citizens who patriotically and selflessly risk their lives to safeguard our security and sovereignty.
2. We reiterate that incidents like this one are the consequence of the Costa Rican Government's bland, complacent policy toward the Sandinist communist government, which has fully exposed the totalitarian and aggressive nature of its regime.
3. Our party condemns the government's weak actions against the Sandinist dictatorship, including the issuance of protest notes that have yielded no results because they are arrogantly disregarded by that neighboring government.

We demand that the Costa Rican Government take forceful, clearly defined actions against the aggressors.

4. We believe that peace must be pursued through the rational, intelligent implementation of international legal mechanisms and by using the inter-American system [not further explained] to defend our sovereignty. This will only be possible through the exercise of intelligence and a coherent, dynamic diplomacy geared toward the satisfaction of these pursuits.

5. The incidents on the northern border have demonstrated that President Luis Alberto Monge's neutrality policy does not adequately maintain peace or prevent the Sandinist communist aggression. We insist on the implementation of the inter-American system's mechanisms to secure the best defense of Costa Rica's legitimate concerns.

LEFTISTS CHARGE ARDE WITH BORDER INCIDENT

PA102220 Panama City ACAN in Spanish 1812 GMT 9 Jun 85

[By Wilfredo Chacon]

[Text] San Jose, 9 Jun (ACAN-EFE) -- Divided into two apparently irreconcilable blocs since last year, five leftist organizations now charge the Democratic Revolutionary Alliance, ARDE, with having laid the ambush that cost two Costa Rican policemen their lives.

The old, communist Popular Vanguard Party (PVP), whose change in leaders 8 months ago led to the fragmentation of the left, asserts that the ambush near the border with Nicaragua was not the work of the Sandinist People's Army (EPS). In a paid advertisement in the local press, the PVP declared: "Typically, the Las Crucitas incident is a provocation organized by ARDE's contras." The PVP asserts that "all arguments serving as the basis to charge the Sandinists in the Las Crucitas case are completely absurd," because only ARDE was in a position to lead the Civil Guard "to a well-prepared trap" to provoke an incident between the two governments.

In another full-page paid advertisement, and after a thorough investigation, the Costa Rican People's Party (PPC), reaches a similar conclusion. The party was founded a few months ago by communist leader Manuel Mora Valverde, who was expelled from his old position at the PVP. "Only ARDE leaders knew of the Costa Rican patrol's arrival at Las Crucitas. Only ARDE was in a position to prepare the attack sufficiently beforehand." The attack took place on 31 May.

The PVP has accused several national and international political organizations, businessmen's associations, and civic groups of intensely propagandizing "to create a climate of hysteria and irrational violence."

At the same time, the United People coalition -- which includes the PPC, the New Republic Movement (MNR), and the Costa Rican Socialist Party (PSC) -- dismisses the charges against Sandinists in another paid advertisement.

After deeply regretting the events at the border with Nicaragua and sending its condolences to the deceased guardsman's relatives, the coalition asserts: "It is evident that this occurrence benefits only those who demand the country's militarization at the top of their lungs."

In the fifth full-page paid advertisement by the leftist groups -- at \$600 for each page -- United People presidential candidate Alvaro Montero Mejia indicates that "the cause of the serious and painful events at the border is well known to everyone in Costa Rica."

According to the socialist leader, this cause is the United States' interest in expanding the ARDE-Sandinist People's Army conflict, thereby involving Costa Rica. Montero said that the aggressor was not Nicaragua, but anti-Sandinist ARDE, which fights against the Managua regime under Eden Pastora's orders. He added: "We have clear evidence pointing to ARDE members as those who attacked our patrol. Only they have Soviet-made B-10 cannons with which the Costa Rican guardsmen were attacked."

Finally, the Council for Peace and Solidarity [Consejo de Paz y Solidaridad] states: "Everything indicates that the attack was ARDE-originated and that this is a provocation to create greater tension between the Costa Rican and Nicaraguan Governments."

ARDE ADMITS WEAPONS SHIPMENT CONFISCATED

PA120514 Managua Domestic Service in Spanish 0453 GMT 11 Jun 85

[Text] San Jose -- The Costa Rican judicial police have seized a shipment of weapons in the country's north reportedly bound for Democratic Revolutionary Alliance [ARDE] mercenary forces. Jose Davila, the ARDE spokesperson, confirmed to AFP that one of his organization's planes, in an unidentified location, had problems as a result of inclement weather last Sunday and was forced to land on a Costa Rican landing strip. He added that the plane was transporting ammunition. However, the Costa Rican police have claimed they seized several mortars, several surface-to-air rockets, fragmentation grenades, rifles, and more than 60,000 rounds of ammunition for various kinds of automatic weapons.

SECURITY FORCE ORGANIZES AIR SECTION, STAFF

PA110036 San Jose Radio Reloj in Spanish 1200 GMT 10 Jun 85

[Text] Colonel Alvaro Sanchez Monester has reported that the public security force reserve has successfully organized its air section, staff included. He said that the members of this force are former LACSA [expansion unknown] airline pilots, experienced and retired. He added that the force relies on 30 aircraft, including small planes and helicopters, all of which are at the orders of the general command and the Public Security Ministry. The section consists of two sides, one composed of fixed-wing aircraft and the other of helicopters.

Col Sanchez said that the number of public security force members has considerably increased. Activities toward this goal have been carried out in places such as Atenas, Puntarenas, and Centro Esparza in the Atlantic region, as well as the country's southern area, in past weeks.

Hundreds of San Jose reservists have concluded basic infantry training courses in the past few days. The remaining months of this year will be devoted to practical tasks. Later the reservists will specialize in terrorism and counterterrorism. The public force reserve, formed by volunteers, includes officers who have specialized in various military fields abroad.

JUSTICE MINISTER MUNOZ TRAVELS TO SPAIN

PA111529 San Jose Radio Reloj in Spanish 1200 GMT 11 June 85

[Text] Justice Minister Hugo Alfonso Munoz traveled to Spain yesterday at the invitation of the commission organizing the commemoration of the 500th anniversary of America's discovery.

Minister Munoz will attend a meeting to analyze a project for creating a Spanish language international patent documentation center, which could begin functioning by 1992, the Justice Ministry reported. While in Spain, Minister Munoz will visit the industrial property and real estate registries.

BRIEFS

CANADIAN CREDIT -- During her recent visit to Costa Rica, Monique Vezina, the Canadian minister of external relations, signed a \$14-million credit; that is, approximately 527 million colones. Although this loan is mainly aimed at promoting production in Fertica, the Central American Fertilizers Co, the money collected from sales there will be used to create a revolving fund to build rural housing. [Excerpt] [San Jose Radio Impacto in Spanish 1830 GMT 8 Jun 85 PA]

EL SALVADOR

ELECTRICITY POLES DESTROYED, CLASHES REPORTED

PA110031 Hamburg DPA in Spanish 1845 GMT 10 Jun 85

[Text] San Salvador, 10 Jun (DPA) -- FMLN guerrilla members and regular Salvadoran Army forces clashed fiercely today in Santa Elena jurisdiction, eastern Usulután Department, 122 km east of San Salvador, according to reports provided by civilian sources in San Salvador. Occasional clashes were also reported near Jiquilisco, 102 km east of the capital, also in Usulután Department. Military sources consulted had no information concerning possible victims of the clashes. In addition, the destruction of several electricity poles was reported today at km 17, Northern Trunk Highway, and the zone was left without electricity. Special Salvadoran Army units today maintained, during the fourth day of the traffic paralyzation announced by the FMLN, strict vigilance on all the highways of the country, supported by Air Force units, in order to curtail the rebels' activities, particularly on the Northern Trunk Highway, Military Route, Pan-American Highway, and the Coastal Highway, which runs parallel to the Pacific Ocean.

ARCHBISHOP CONDEMNS GOVERNMENT, GUERRILLA ACTIONS

PA111505 Paris AFP in Spanish 2001 GMT 9 Jun 85

[Text] San Salvador, 9 Jun (AFP) -- The Salvadoran church today condemned the military actions of both the government and the guerrillas and stated that "it is not at the service of any political party or organization." San Salvador Archbishop Msgr Arturo Rivera y Damas, who returned to El Salvador from a European tour, condemned the military eviction of the strikers from the Social Security Hospital on Sunday and criticized the guerrilla sabotages and attacks that resulted in several dead last week.

According to statistics compiled by the archbishopric's Legal Assistance Office cited by Rivera y Damas, 54 people, including 33 alleged guerrillas and 14 soldiers, were killed as a result of the political violence last week. The archbishop also mentioned the cases of "two victims of the death squads and of two civilians whose deaths are attributed to the Army." He also referred to two other victims including a girl killed during guerrilla sabotages. The archbishop condemned the guerrillas' campaign of kidnapping mayors in the interior of the country and asked the rebels to release the mayors they are holding.

Nevertheless, the prelate viewed as a positive sign the release of 22 soldiers held as prisoners for several weeks by guerrillas. They turned them over to the Red Cross on Tuesday in La Laguna, Chalatenango Department.

Regarding the military occupation of the Social Security Hospital that left five dead, Msgr Rivera y Damas described it as "the most regrettable event this week, which has received much condemnation." Nevertheless, the religious leader indicated that although the government's military action was guilty of excesses, the union also went too far by occupying the installations after its strike was declared illegal. Msgr Rivera y Damas explained that this is his "personal opinion on the events at the hospital, because the church does not serve any political party or organization but serves man, who was created in God's image."

CANADIAN FOREIGN MINISTER ENDS 3-DAY VISIT

PA111432 Madrid EFE in Spanish 1614 CMT 9 Jun 85

[Text] San Salvador, 9 Jun (EFE) -- Canadian Foreign Minister Monique Vezina left for Canada today after completing a 3-day official visit to El Salvador during which she met with the leading Salvadoran authorities. Vezina, who also serves as Canadian minister for foreign cooperation, arrived in San Salvador on Friday to discuss the strengthening of bilateral relations and the bases for the establishment of assistance programs for this country, government sources reported.

The Canadian minister met with Salvadoran President Jose Napoleon Duarte and Vice President Rodolfo Castillo Claramount, who also holds the foreign relations portfolio. Monique Vezina met with Deputy Planning Minister Oscar Reyes and San Salvador Archbishop Msgr Rivera y Damas yesterday. Also yesterday the minister and Canadian and Salvadoran officials toured Hacienda Colima, the site of a community development project that operates with Canadian technical assistance on the border of the northern Salvadoran Cuscatlan and Chalatenango Departments.

RADIO VENCEREMOS ON JOINT SABOTAGE CAMPAIGN

PA112326 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Jun 85

[Text] The joint, simultaneous sabotage operation against electric power throughout the country has begun, immediately after being ordered by the FMLN General Command. As a result of this important operation, power outages have been reported in almost 70 percent of El Salvador, including San Salvador and its outskirts. The joint operation launched by the FMLN member organizations is only the beginning of intensive operations against Duarte's war economy. Actions have been carried out in central El Salvador, affecting all departments in that region, as well in the east and central regions, the details of which follow:

On Monday, guerrilla forces of the Rafael Arce Zablah Brigade [BRAZ] sabotaged lines from the Cerron Grande hydroelectric plant to San Salvador. The sabotage was carried out near Las Flores development. Two pylons were brought down. Another BRAZ force sabotaged the main power line in the Nejapa and San Antonio Abad area.

Also on Monday, 10 June, forces of the Jacobo Campos Valle Column of the Rafael Aguinada Carranza Battalion sabotaged main power lines from the Cerron Grande plant to (Biajoyo) and the Nejapa substation. These operations left several departments in central El Salvador without electricity.

Along the road from Usulután to Santiago de María, guerrilla forces sabotaged three pylons. In addition, on Monday BRAZ forces sabotaged two pylons and three transformers in the jurisdiction of Chapeltique, San Miguel Department.

Another report indicates that (?on Monday), at km 104 of the Pan-American Highway, Usulután Department, BRAZ guerrillas blew up four pylons holding high-tension lines, leaving large areas in the east without power. Another report from San Miguel Department indicates that two pylons were blown up in the jurisdiction of Ciudad Barrios. Also, along the road from Usulután to Santiago de María, Usulután Department, BRAZ forces blew up three pylons.

In Cabanas Department on Monday, between Villa Dolores and Sensuntepeque, BRAZ forces blew up three electricity and two telephone poles. It is also reported that during joint actions by guerrilla forces of the Luis Adalberto Díaz Detachment and the (Sergio Hernández) Column, two pylons were blown up on the road linking Mercedes Umana and the city of Berlin. Another pylon was blown up at Santa Anita. This report reaches us from the area of San Agustín-Tres Calles.

In another blow to Duarte's economy, a guerrilla unit of the (Julio Armando Climaco) Detachment sabotaged high-tension lines leading to the city of San Miguel at Jalacatal. Meanwhile, another unit of the (Julio Armando Climaco) Detachment downed electricity and telephone poles at El Volcán Canton, jurisdiction of San Miguel.

Another report indicates that at 1500 on Friday, at (Hacienda Palo Seco), jurisdiction of Jiquilisco, BRAZ forces burned a tractor that was preparing the land to plant cotton. This was an action by BRAZ forces of the FMLN against cotton production. We reassert our determination to expand these activities to include sabotage of cotton at the cultivation and other stages, as the dictatorship obtains millions from it to finance its criminal battalions.

At the end of the 4-day nationwide transport stoppage, we have caused huge losses to the dictatorship. The huge sums will no longer be used to maintain the murderous Army that oppresses our working class. The nationwide transport stoppage lasted 4 days and left the dictatorship with huge losses. Now, through this nationwide operation to sabotage the war economy and electric power, we inflicted huge losses on the dictatorship, and this is just the beginning.

GUATEMALA

MUTUAL SUPPORT GROUP REJECTS REPORT ON MISSING

PA111510 Panama City ACAN in Spanish 1839 GMT 9 Jun 85

[Text] Guatemala City, 9 Jun (ACAN-EFE) -- The "Mutual Support Group," comprised of more than 500 relatives of missing persons, today described a report prepared by the government regarding the whereabouts of thousands of Guatemalans who have disappeared here during the past few years as "false." In a communique published today in the local press, the group said that "with indignation and stupor we listened to the totally false, absurd, illogical, and above all unjust and humiliating conclusions and recommendations."

The deputy defense and interior ministers and the attorney general, who are members of the commission that prepared the report, met last Thursday with representatives of the Mutual Support Group to inform them of the contents of the document. The communique added: "We reject the conclusions and recommendations because our relatives are not objects without value, or simple figures to be treated with such disrespect, injustice, and disdain." Although the Mutual Support Group did not disclose the conclusions in the government's report, it asked the military regime to do so in a public forum.

FRG Deputies Ernest Walthemate and Freimut Duve, who visited Guatemala last February, said that according to a report issued by the U.S. Embassy in this capital, 1,059 persons were killed and 732 disappeared in this country during 1984. However, the FRG parliamentarians added that according to reports published in the local media, 1,570 persons were killed and 1,220 were kidnapped in Guatemala last year.

The Mutual Support Group commemorated its first anniversary last Tuesday and has published a list of 696 persons who have been kidnapped in the country since 1980. In its statement, the group recalls the "flagrant" murder of two of its top leaders in March and April of this year, and asked the military government to guarantee the lives of each one of its members.

NICARAGUA

DEFENSE MINISTRY COMMUNIQUE ON LA PENCA SEIZURE

PA120130 Managua Domestic Service in Spanish 0104 GMT 12 Jun 85

[Communique issued by the Public and Foreign Relations Directorate of the Defense Ministry in Managua on 11 June]

[Text] The Defense Ministry reports that:

1. Fulfilling the military plans to destroy the enemy's camps and bases along the banks of the San Juan River, the Sandinist People's Army [EPS] troops today combined various land and air operations and forced the mercenary forces that were in control of the La Penca counterrevolutionary base to abandon that important enemy position at random, avoiding combat when the EPS attacked the enemy positions. The enemy forces that operated at La Penca are fleeing toward Costa Rican territory.

2. The EPS troops, fulfilling the order issued by the commander in chief of the EPS, Humberto Ortega Saavedra, to attack the counterrevolutionary base of La Penca, as reported in the news bulletin issued on 6 June 1985, have reported to the General Command of our Army through the chief of the 5th Military Region, Commander Roberto Calderon, that the blue and white as well as red and black flags of our worthy fatherland and revolution were hoisted at the position captured from the mercenary enemy. Operations continue to fully reestablish control over the San Juan River and thus to normalize use of the river for the benefit of both Nicaragua and Costa Rica.

Free fatherland or death!

DEFEAT OF 'JORGE SALAZAR' COMMAND REPORTED

PA081451 Managua BARRICADA in Spanish 6 Jun 85 p 4

[By Guillermo Cortes]

[Text] Cerro Verde, Central Zelaya -- The CIA advisers in Tegucigalpa have again delayed the announced counterrevolutionary "final offensive" due to the spectacular routing over the past 2 months of the so-called nerve center of its "offensive": the so-called "Jorge Salazar" operational command, made up of two regional commands.

Approximately 1,000 Somozists have been pushed from deep inside the territory they were able to penetrate to the other side of the road on the Atlantic coast in Jinotega Department toward the areas of Wina, Bocay, and their usual destination: Honduras. A group of counterrevolutionaries, members of one of the Jorge Salazar regional commands, was hit and dislodged from the area they had been occupying northeast of Pancasan. They had entered the area expecting to carry out a spectacular action that would boost the CIA's international propaganda campaign to the effect that a civil war is being waged in Nicaragua. After suffering approximately 50 casualties the contras moved to Boaco Department, and some groups even entered Chontales, from where they were pushed farther north.

Another important mercenary concentration, located in Central Zelaya, in the ravines known as Poncaya, Batitan, and Hachita, was hit by the Sandinist People's Army [EPS], suffering 36 casualties. Eight leaders, including three foreigners, were among these casualties.

In this department the contras had kidnapped approximately 500 peasants who were being militarily trained. These peasants were to be added to the "Jeane Kirkpatrick" task force that, with these 500 peasants, would become the "Jorge Salazar" Regional Command No 3. Currently the "Jorge Salazar" operational command has Regional Commands No 1 and No 2 under it. These two regional commands are led by former Somozist guardsmen "Franklin 16" and "Rigoberto." These two men have a disgusting history of murders in the mountains of the north. The destruction of this camp prevented the formation of the 3d Regional Command, caused the contras to lose their most important camp in Region 5 and 6, paralyzed their terrorist actions launched from this camp against economic and civilian targets, and forced them to disperse and mobilize farther north. The Somozists who were hit east of Pancasan, those south of Matiguas, and the groups that operated in some areas of Boaco and Chontales were driven into the areas known as Cerro Verde and Paraska, an intricate maze of hills.

For this to be possible more than 10 clashes and dozens of skirmishes were fought. On 16 May, after clashes in Boaco and south of Matiguas with the participation of regular troops and militiamen, the Jorge Salazar Regional Command No 2 was dislodged from the territory it occupied, and they fled to the areas of Mancera and Wanawas, to the Musun and El Ocote Hills, and to the El Cacao region.

At this time the Ramon Raudales and Simon Bolivar Battalions for Unconventional Warfare, BLI; permanent troops of the Matiguas and La Dalia Brigades; and members of the militia from Sebaco, Terrabona, and Dario have joined the Farabundo Marti and Socrates Sandino BLI's that operated in Hachita, Poncaya, and Batitan. These combined forces were deployed throughout a large radius of an area that covered dozens of kilometers surrounding the Somozists who continued "up" north.

On 18 May the EPS went after 135 contras led by "El Chacal" in the area of Wanawas, El Diamante, and La Guitarra, and forced them to cross the Tuma River in the area of Loma Enrollada, 40 km north of Rio Blanco. Other troops pressured the mercenaries in the El Potin, El Cacao, Fila El Tigre, Mancera, and Bocana de Paiwas hills. This area has been a "corridor" for the contras in their infiltrations from Honduras through Jinotega Department in the areas of Bocay, Wina, Bocaycito, La Lana, El Bote, El Pajaro, and Penas Blancas...

As a matter of fact, it was through this "corridor" that the first Somozist force entered the country early in 1983. That force used the name of the dead counterrevolutionary and Higher Council of Private Enterprise [COSEP] leader Jorge Salazar. The force was led by "Renato" and "Tono." This so-called "Jorge Salazar" task force, an earlier version of today's "Jorge Salazar" operation command, reached the outskirts of San Jose de los Remates.

The EPS also operated in the area of Kuskawas, El Rosario, and into the Buhbu region. A 2-hour clash was reported on the slopes of the Mancera and Musun Hills where the contras were divided into two groups. "El Chacal," the counterrevolutionary leader who was on Musun Hill, fled to the north of the Tuma River while the other group of 100 Somozists was pushed toward Tawa. On the same day, 18 May, the EPS troops clashed with the contras in La Fila del Espondiero, 38 km north of Matiguas, from where the guardsmen were driven into the area of El Cacao. Other groups fled to Cano Tawa, the Yaro region, Dilampi, and Cano Sucio.

On 25 May, the members of the militia in Ranch Grande fought against 100 Somozist in Kuskawas, 16 km south of Waslala. The Somozists were driven into the area of Cerro Verde and Teiba Dudu, west of Waslala. At the Sardina and El Zorro Hills another clash was reported against 150 contras.

On 27 and 28 May, EPS troops fought at Isla del Zorro and Yaro Hill. On 27 May, "Arandu," leader of the "Andres Castro" regional command, was driven out of the area. This regional command had come to the aid of the two "Jorge Salazar" regional commands in view of the harassment and persecution of the EPS. During the fighting in Yaro on 28 May, the Somozists were led by "Cain 2" and the leader of the "Andres Castro" command. In Yaro, a machine gunner outdid himself when he confronted and eliminated a mercenary resistance line.

On 28 May a series of clashes occurred in Villa Nazaret, 14 km southeast of Waslala, where approximately 600 contras had gathered. They were members of the "Andres Castro" and "Jorge Salazar" No 1 regional commands. Taking advantage of the contras regrouping, the EPS used its 152-mm missiles. The artillery men received the coordinates from the BLI fighters who were near the area. The missiles were fired and the mountain was silenced. The missiles fell on the exact location where the contras stood and the results did not favor the Somozists.

In an attempt to be objective in his war reports, the EPS chief of operations in the area tried to identify as many bodies as possible to determine, as closely as possible, the number of dead inflicted on the counterrevolutionaries.

The contras continued to be driven toward Cano Sucio where late in May they were hit by another BLI on El Algodon hill, 16 km southeast of Waslala. The EPS pressure became unbearable for the contras who received orders from Honduras not to fight, to hide in the ravines, and to avoid any contact with the persecutors.

The persecution and wearing-out of the contras continued. Militiamen from Waslala clashed with the guardsmen in Guayabo-Usuli, 9 km south of Zonica, while the Simon Bolivar BLI troops clashed with a 200-man counterrevolutionary force in El Zapote, 15 km northeast of Waslala. The leader of the "Andres Castro" regional command, known as "Dimas," led the flight of the Somozists.

Despite the fact that many of the fleeing Somozists were supplied via air, while they were at their camps in Poncaya, Batitan, and Hachita their situation turned desperate. Every day they asked for reinforcements from Honduras to rid themselves of the EPS attacks. Besides reinforcements, they requested food, ammunition, and boots. Besides hunger, their biggest problem was the pressure being exerted by the EPS soldiers. Reinforcements with fresh supplies from Honduras were able to enter the country but found themselves trapped by the BLI's. The mercenaries were led by "Jaime" and "El Torito." The group was traveling from Cuyali Abajo, 6 km northeast of Zonica, toward El Garrobo Hill, Cerro Verde, and Cano Sucio, where the "Jorge Salazar" operational command contras were concentrated. After several clashes with the fighters, they divided into two groups and reached their destination. They were tired and had very little materiel when they reached the forces they were to assist.

At that moment, the number of Somozists was at its maximum. It is believed that there were approximately 1,000 counterrevolutionaries in Cerro Verde and Cano Sucio. By then, a strong mercenary contingent led by "Dimas" had crossed the road to the Atlantic, headed toward the mountainous and inhabited areas of Jinotega that border Honduras in the area of Bocay. However, the largest group of contras remained behind on Cerro Verde. They were led by "El Quiche," chief of the operational command; "Arandu," "Onda Lopez," Cain, and others.

The Somozist's communications network continued to be saturated with strict orders not to fight. However, on 4 June a BLI provoked a heavy clash; the casualties resulting from this action have not been determined. Some EPS troops were able to reach Cerro Verde and climb to the top. The contras withdrew and allowed the troops to cross. When the troops had crossed, the contras returned but the soldiers who were combing the area infested with Somozists surprised them and a 2-hour clash was reported. From that moment, the mercenaries hastened their flight north. It is believed that a large number has already crossed the road to the Atlantic in the direction of Jinotega.

Meanwhile, and for the first time in 2 years, the region is practically free of contras. The area occupied by the "Jorge Salazar" operational command has been cleared. They are to blame for hundreds of murders of peasants and for the destruction of cooperatives and State Production Units [UPE], as well as for criminal ambushes on the highways.

This operational command was born from the "Jorge Salazar" task force that entered the country in February 1983 and caused the death of approximately 20 members of the 19 July Sandinist Youth Movement in San Jose de las Mulas. This task force was led by "Tono" and "Renato." They reached the outskirts of Esquipulas and San Dionisio where they stabbed 10 peasants to death. Five of the peasants were found with their hands tied behind their backs under a bridge. The stab wounds on their necks and chests, which were inflicted with AK bayonets, were still fresh. Several peasants from the El Castillo cooperative were killed in a similar manner.

The "Jorge Salazar" task force reached San Jose de los Remates from where they were chased out by EPS and Interior Ministry [MINT] soldiers. They were pushed back to the north until they returned to Honduras.

This followed the San Andres de Bocay clash on the Coco and Bocay Rivers in Jinotega Department, approximately 40 km northwest of the departmental capital city. After suffering approximately 60 casualties during that penetration and after returning to the sanctuary of its forces, the "Jorge Salazar" task force left several groups in the mountainous areas of Matagalpa to carry out the work of reproduction among the peasants.

This time they have been yanked from these areas and sent north near Honduras. The operation continues and the persecution makes the contras' flight faster. This was learned from reports released on 3 and 4 June. This "Jorge Salazar" operational command had become the counterrevolution's strategic force within Nicaragua and as such would have played the main role in the so-called "final offensive" to be unleashed in mid-June.

Aside from the considerable number of casualties they have suffered since the second week in May, their expulsion into more mountainous and uninhabited areas near the border with Honduras are a hard blow for the counterrevolution that seems to be slipping toward immobilization of a passive stance, only a step from total defeat.

LA PRENSA SENDS LETTER TO ORTEGA ON CENSORSHIP

PA082357 Managua LA PRENSA in Spanish 6 Jun 85 pp 1, 5

[Letter to President Daniel Ortega from the newspaper LA PRENSA, dated 28 May in Managua]

[Text] President of the Republic, Commander Daniel Ortega Saavedra:

President, after your return from your European tour we were in the process of drafting this letter of complaint about the censorship of LA PRENSA when we received the draft of Opinions on Communications Problems, which we have been informed will be discussed at the congress of the Union of Nicaraguan Journalists (UPN) in June 1985. In its draft, that association -- not satisfied with the dictatorial control of the Media Directorate which has reached unprecedented levels in the history of Nicaraguan journalism -- will recommend the beginning of a judicial process and a subsequent penalization of LA PRENSA (see attached draft of document pages 4 and 5). The UPN recommends that the censorship of LA PRENSA "be exercised as a result of a penal sanction established in the public order laws and after demonstration in a trial of the false coverage that as a communications media organ, it tries to give to a real counterrevolutionary plan."

On top of everything else, the accusation against LA PRENSA would be made by using as proof the censored material that was presented to the Supreme Court of Justice in the writ for protection that we filed against the censorship in December 1984 and that was never ruled on. We believe that at this stage, this process and sanction would not be against us, but against democracy and freedom in Nicaragua. We want to show you the arbitrary and disproportionate character of the censorship of our newspaper. In the censorship material that we have attached, you can judge whether there is any logic, if a rational rule prevails in the things that are banned. It seems that the norm is simply to harm LA PRENSA in any way possible.

Yesterday, only two news reports of minor importance were not censored on LA PRENSA's front page.

The reports on the break in the dialogue with Miskito, Sumu, Rama Sandinist Unity [Misurasata] was censored. That information was broadly reported by all the other communications media. A report on the reorganization of the Nicaraguan Conservative Party was also censored. It included a report on the Masaya departmental convention. To this we must add the hour at which the censored material is given to us. We were told that we would be given the material at 1400. In the past few weeks, it has been returned at 1700! What is the objective of this delay, except to harm us?

We think that the coexistence of the Nicaraguans is only possible with respect for pluralism and freedom. These measures by the Media Directorate prove not a search for coexistence but arrogance and hostility. To dissent is not to be an enemy except in a totalitarian system. We agree on many things, but this cannot be appreciated when opponents are treated as pariahs.

We hope that you will pay attention to our complaint.

Respectfully yours,

[Signed] Violeta B. de Chamorro, president of the board of directors

Pablo Antonio Cuadra, director

LA PRENSA ON 'THREAT' BY JOURNALISTS ASSOCIATION

PA082341 Managua LA PRENSA in Spanish 6 Jun 85 pp 1, 16

[Editorial: "A Threat Against LA PRENSA"]

[Text] In this issue, we have also published the pertinent part of an unusual and unheard of proposal against LA PRENSA that the Union of Nicaraguan Journalists, UPN, plans to have approved at the UPN congress in Leon this month.

We cannot but describe as unusual and unheard of a proposal by a journalists association asking the government to penalize LA PRENSA by declaring it "part of a real counter-revolutionary plan." We believe that, as the result of this penalty -- the final result of a criminal trial -- this newspaper would be liquidated, more than 200 workers would be dismissed, and all the Nicaraguan people would be forever left in the darkness of the Orwellian truth of the government's red-black propaganda. We have said this is unusual and unheard of because no journalist has ever been heard to recommend the liquidation of a newspaper.

All this is the result of the government's unrest and chafing due to its iron censorship of LA PRENSA. This, in turn, seriously harms the government, both at home and abroad. Censorship is the result of LA PRENSA's independent criterion. LA PRENSA does not relinquish its right and commitment to criticize those things about this government that can be criticized. The UPN, directed by journalists submissively aligned with the party in power and dependent on this party in one way or another, believes the problem can be solved for the government simply by recommending the permanent liquidation of that which causes this permanent unrest. In the end, it is LA PRENSA that has deteriorated the government's image. According to the UPN, it is not censorship that deteriorated the government's image, but LA PRENSA, that has forced the government to establish censorship through its "private war against the government" and the "intention" that LA PRENSA gives to each "apparently unmilitary" (and, consequently, not legally subject to censorship) piece of information. Nevertheless, the government is forced to censor this type of information.

Has anyone seen or heard of such wild, absurd reasoning? At the height of its unreasonable stance, the UPN tries to justify its "recommendation" with the "censored publications" presented by LA PRENSA as a defense in the writ of appeal presented to the Supreme Court of Justice.

The UPN did not think of recommending that the government end the censorship that discredits the association. Instead it proposed the liquidation of LA PRENSA which through its stance, "ignores the revolution's ethical principles, that is to say, does not bend to the dictum of the Sandinist government, criticizes its mistakes, and denounces the mishandlers of public affairs.

The UPN has rendered the government such a lofty service with this "recommendation," that we have circulated it here and abroad. It implies a threat for our last vestiges of freedom. Of course, we have reported this threat to the state's high authorities, as a serious violation of the rights, not only of LA PRENSA and its owners and workers, but of the Nicaraguan people at large, who see in this newspaper a ray of hope and a last chance to correct the future.

AALAPSO SECRETARY CONDEMNS U.S. EMBARGO

PA082313 Managua Radio Sandino in Spanish 1200 GMT 8 Jun 85

[Text] Nuri-'Abd al-Razzaq, secretary general of the Afro-Asian-Latin American People's Solidarity Organization, AALAPSO, said at the end of a meeting with Bayardo Arce, commander of the revolution and FSLN Political Commission coordinator, that AALAPSO is not only going to condemn and protest the U.S. commercial embargo against Nicaragua, it is also going to promote an intense campaign to obtain support for Nicaragua.

Nuri 'Abd al-Razzaq accused the Reagan administration of trying by all means to destroy the Nicaraguan revolution. He added that an encouraging aspect of the situation is that despite U.S. pressure, not one country in the world has approved the U.S. embargo imposed on Nicaragua. He said that the embargo is not only illegal, it also violates the principles of the UN Charter.

Nuri 'Abd al-Razzaq said that AALAPSO is going to call on the Nonaligned Movement and on Afro-Asian countries to take whatever measures are necessary to counteract the U.S. embargo against the Nicaraguan people.

CONTINUATION OF U.S. MANEUVERS IN HONDURAS NOTED

PA102157 Managua Radio Sandino Network in Spanish 1300 GMT 9 Jun 85

[Text] Tegucigalpa -- Honduran and U.S. military personnel continue to engage in the "Cabanas-85" counterinsurgency maneuvers designed to train troops to repeal the advance of presumed guerrilla forces from Nicaragua. The operation, which involves approximately 3,000 troops -- more than half of which are American -- includes a first phase during which a road linking the villages of Jocon and San Lorenzo will be completed, including turnoffs to the military installations that will house the forces participating in the maneuvers. The second phase will begin in August with the arrival of the U.S. forces that will participate in the last phase of the maneuvers.

Yesterday the joint forces advanced on presumed rebel camps equipped with jungle and mountain terrain combat gear, while heavy artillery and the Air Force launched attacks against the imaginary enemy. The Nicaraguan Government has repeatedly maintained that the joint military maneuvers in Honduras are a preparation to invade Nicaragua.

EDUCATION MINISTER VIEWS U.S. AID TO CONTRAS

PA111649 Managua Radio Sandino in Spanish 1750 GMT 10 Jun 85

[Text] Vienna, Austria -- Nicaragua Education Minister Fernando Cardenal said today in Vienna that the economic aid for the Somozist counterrevolutionaries approved by the U.S. Senate will not destroy the Sandinist people's revolution. Cardenal added that the \$38 million in aid granted to the Somozist counterrevolutionaries for 1985 and 1986 will only bring more death and destruction to Nicaragua. Cardenal also noted that the Reagan administration plans a military intervention in Nicaragua, and that the economic sanctions recently imposed by Washington are another step toward this objective.

Cardenal stressed the Nicaragua Government's desire to solve the conflict with Costa Rica peacefully, within the Contadora Group's framework. Regarding the two Costa Rican civil guardsmen killed at the border with Nicaragua on 31 May, Cardenal recalled that the CIA continues to provoke incidents at the Nicaraguan border. Cardenal is currently in Vienna for the opening of Latin American Week in Austria, whose theme is Latin America's second liberation.

Discusses Conflict With U.S.

AU111130 Vienna KURIER in German 11 Jun 85 p 5

[Interview with Education Minister Fernando Cardenal by KURIER editor Heinz Nusbaumer in Vienna; date not given]

[Text] KURIER: You are living with three grave conflicts: As a priest with the Vatican, as a Nicaraguan with 16,000 rebel fighters, and as a minister with the United States. Which crisis is the most serious?

Cardenal: Quite clearly the conflict with America. It is also the cause of the other problems -- which would not exist without the threat from Washington.

KURIER: Is this not an oversimplification? Among the armed "contras" there are actually many of your old revolutionary friends, who have disappointedly turned away from your Marxist course.

Cardenal: There is a portion of the population that fought with us against the dictator Somoza, but does not accept our social transformation. I have some of them in my own family -- people who merely wanted to exchange the figure at the top, but not the system. They separated from the revolution not because the revolution is Marxist, but because it is a genuine revolution.

KURIER: What do you actually call your system: Totalitarian? Marxist fundamentally [based] democratic?

Cardenal: This labeling us as Marxist is a lie....

KURIER: But your own fathers of the revolution say: "A Nicaraguan Sandinist cannot be revolutionary without Marxism-Leninism...."

Cardenal: Well, then let us be more accurate: Every revolution is to some extent inspired by Marxism, of course. Likewise, our revolution is also influenced by Christianity. The worst dictators of Latin America are constantly talking about Christianity, and yet no one puts them in the pillory for that. Only in our case they say that Christianity is merely a fig leaf for us. Christ said one should judge the tree by its fruit. Thus, judge us by the fruit.

KURIER: Thus also by press censorship, housing block controllers, and a Soviet-type economy?

Cardenal: That is a caricature of our reality, a symbol of a gigantic lie. Sure, at present we have a press censorship that we did not have at first and that no one wants. It is the consequence of the crisis, and not a symptom of the system. Despite the threat to our very existence, we have 11 political parties. Your view on Nicaragua strikes me as something like my looking at your Belevvedere Palace and saying: "What an immoral building; there are women with animal bodies on the facade." We are making mistakes, yes, but then we are living through a terrible period. However, if we actually had a regime of the kind you have depicted, we would not need Reagan's threats -- then we would ruin everything ourselves before the eyes of our own people.

KURIER: So, quite plainly: Do you profess adherence to the civil freedoms, freedom of the press, free elections, a free economy?

Cardenal: Precisely to all of them. We want pluralism, a mixed economy, freedom, independence, and more justice than is to be found around us.

KURIER: Is the figure of 4,000 political prisoners correct?

Cardenal: It could be correct. It, too, is part of the present tragedy. However, we have abolished capital punishment.

KURIER: Your professing adherence to freedom and pluralism is becoming debatable if one, for example, reads what your brother Ernesto has said: "Cuba is the gospel put into practice...."

Cardenal: He who sees Latin America with its mass misery, its political and economic mendacity of "Christian" dictators, may well arrive at such formulations. I do not want to broach the question in which country of Latin America God would rather live....

KURIER: Presumably with the poor rather than with the rich, but presumably also with the powerless rather than with the powerful -- you, as a Jesuit, are a minister. . . .

Cardenal: What kind of power is this: 3 million people, underdeveloped, exploited, and at war? You can get to my office only by a back stairway. My salary is \$40 a month. Because of the war, I cannot build a single school this year.

KURIER: In Europe, the Nicaraguans have the reputation of being "expert money raisers" -- that should bring quite a lot of money into the country, should it not?

Cardenal: The poor are always grateful if one helps them. Austria's aid was not overly great, but we have to say thank you very much. We need \$1 billion for the war; the international loans have all been canceled, let alone the economic embargo and the price increases.

KURIER: Then, why do you not start a dialogue with the "contras" to end the war?

Cardenal: President Ortega said that we are not talking with the clowns but with the circus directors. That means the Americans. We have accepted every mediation proposal that is known in the world, but Mr Reagan does not want to reach a settlement with us.

KURIER: After Reagan's economic embargo, your president promptly went to Moscow. This friendship keeps many Europeans at a distance from Nicaragua.

Cardenal: What European arrogance! We are persecuted by an imperialist big power because we want to be independent. We are seeking help everywhere, without giving up our sovereignty to anyone. Because of this, we find ourselves in the dock, and the Europeans act as judges. Sometimes I think that if you had Reagan's power, many in Europe would probably be just as imperialistic as he is.

ATLANTIC COAST LEADER ON AUTONOMY BILL

PA071532 Managua Radio Sandino in Spanish 1930 GMT 5 Jun 85

[Excerpts] Ray Hooker, an Atlantic coast leader and FSLN deputy, has confirmed that the executive branch will submit for discussion in the National Assembly the Atlantic coast autonomy bill so that it can become a law of the Republic and subsequently be incorporated into the constitution. Hooker spoke to this station today regarding this topic and the Miskitos' return to the Coco River area after living for 2 years in Tasba Pri and other communities.

[Begin recording] [Hooker] Autonomy is one of the deepest aspirations of the Atlantic coast residents. This deep longing has been repressed for hundreds of years. Any autonomy plan must be implemented along with what I would call an awareness campaign about autonomy. This would be similar to the national literacy campaign, because the autonomy affects not only the residents of the Atlantic region but also those of the Pacific. It is a national task.

[Reporter] What has been the reaction of the Miskitos living in Tasba Pri and other communities to the government's decision to permit them to return to the Coco River?

[Hooker] Some of the Miskitos resettled in Tasba Pri have expressed interest in being relocated. We must understand something. Any resettlement process will be difficult. Any family changing location has difficulties. Therefore, any resettlement process will be difficult. The resettlement plan for the Miskitos was one of the most difficult decisions that the revolutionary government ever had to adopt. It was difficult because the Coco River is one of the vital elements in the lives of the Miskitos who lived on its banks. [end recording]

INTERVIEW WITH SOCIALIST INTERNATIONAL

PA080345 Managua BARRICADA in Spanish 6 Jun 85 p 6

["Exclusive" interview with Thorvald Stoltenberg, Socialist International representative -- date and place not given; Spanish translation by Ann Mogster]

[Excerpts] Question: How would you describe your feelings during this visit to Nicaragua?

Answer: During this, my second visit to Managua, I find that it is more difficult to foresee a peaceful solution. Today a new element has been added. The trade embargo has been declared by the United States, the Manzanillo talks have been broken off, and the Contadora process is at a standstill.

Question: At the Socialist International meeting held in Buenos Aires, Argentina, a series of measures were agreed on, which, because of the current situation, call for immediate action. What steps has the Socialist International taken to enforce these measures?

Answer: The Social Democratic parties of the area were represented at the meeting in Buenos Aires, Argentina. No resolutions were adopted during this meeting; however, pronouncements on various subjects were made. These pronouncements were within the framework of the Socialist International's four work topics for the region and on these four topics there is ample agreement that deals with cooperation with Nicaragua, support for the work of the Contadora Group, support for the idea of a dialogue, and the desire to contribute with economic aid.

Question: How would an invasion of Nicaragua affect the world?

Answer: We are more concerned about what can be done to prevent such a situation from occurring rather than talking about what will be done after an eventual invasion. The tasks and responsibilities of the U.S. and Nicaragua are to do the groundwork to create the conditions so that such a thing will not happen. An invasion will resolve nothing but rather create new problems, and it would also trigger world rejection.

Question: Is the threat of an invasion just rhetoric or political illusion, or is it a possibility in accordance with their own evaluation of the development of the situation? What can you tell us about this?

Answer: I am afraid that talking about an invasion is much more than just rhetoric. This is why I view it as part of a reality and that such a situation could come about. I therefore consider it essential to work and have a policy that deters such a situation. The issue is not Nicaragua alone; it is a principle of relations among the states.

Question: The recent incidents almost seem to indicate that the United States is seeking a military solution to the regional problem. They have ignored the competence of the International Court of Justice, they have withdrawn from the Manzanillo talks, they attack the Contadora Group, and at the same time try to create an artificial problem between Nicaragua and its neighbors, Costa Rica and Honduras. How does the Socialist International feel about this?

Answer: A military solution would not be the solution to the problem. I believe, and I insist once again, that if the United States undertakes such an adventure it would be creating new problems. The way I see it, a military solution is not the path to finding peace in the region. I must add that we must continue to search for political solutions. We must find a way to influence public opinion, especially in the U.S. opinion, because an interesting phenomenon is occurring in the United States. The center for foreign policy decisionmaking is shifting. Today those decisions are being more and more frequently made by the U.S. Congress. I feel that it is necessary to continue insisting on a negotiated solution.

Question: Is the Socialist International prepared to present a document in support of the Nicaraguan stance -- for example, before the International Court of Justice, United Nations, Manzanillo, or the Contadora Group -- that would allow the search for political solutions?

Answer: The problem is that the Socialist International is formed by different independent parties and some of those parties are the ruling parties in their countries. What the Socialist International could do is to try and influence policy at government level in those countries. However, the Socialist International is not a superior organization that could decide on something like this independently.

The two important things the Socialist International could do would be to create a public opinion through the parties and to contribute to an understanding among the parties in conflict as occurred in the case of the discussions that took place in Rio de Janeiro.

EPS OVERRUNS ARDE HEADQUARTERS IN LA PENCA

PA120306 San Jose Radio Reloj in Spanish 0100 GMT 12 Jun 85

[Text] The Sandinist People's Army [EPS] seized La Penca this afternoon. One of the major bases of the rebel Democratic Revolutionary Alliance, ARDE, located 40 km along the San Juan River, was seized this afternoon by the EPS. Jose Davila, in charge of ARDE's political affairs, admitted to this, saying that ARDE's forces had left the base 48 hours ago as part of a tactical pullout. La Penca, [words indistinct], where a little over a year ago a terrorist attack on Commander Eden Pastora took place, was the rebel ARDE's headquarters.

The EPS attacks have been becoming more intense ever since 26 May. The EPS intensified its attacks on the positions controlled by Pastora's men along the San Juan River on the Nicaraguan side. In the past 5 days, there was intensive shelling of the area, using push-and-pull [preceding phrase in English] airplanes as well as other airplanes, until today when the EPS finally managed to gain control of that position and over the airstrip built near the farm called Roman Muller in honor of the pilot killed during an attack on the Managua airport.

Davila said that the pullout begun 2 days ago, which included leaving several fighters scattered around the area to harass the EPS occupying the farm.

Sandinists are controlling the area with 500 armed men. As Eden Pastora's men moved to other positions in Sarapiquí, the Atlantic zone, including taking over the La Batea area, the Sandinists mobilized 500 men with the support of the Air Force. Those in charge of ARDE's political affairs, including Jose Davila, said that their group has proven that it can face the most powerful army in Central America, which, with Soviet and Cuban support, is trying to recover an area measuring 130 km along the San Juan River, which has been under the control of Pastora's men. Davila also appealed to the democratic world to help ARDE resist the EPS, since Nicaragua is the battle site between communism and democracy in Latin America.

ARDE is conducting a war of mobilization and not of positions. Jose Davila said that the ordered pullout of La Penca shows that ARDE is conducting a war of mobilization and not of positions, which prevents casualties. As for ARDE's current situation, Davila said that ARDE forces have moved to the mountainous area in Nicaragua's south-eastern sector and that ARDE controls other posts. Davila said that the group has lost about 40 km which had been under the control of Pastora's rebel groups after the EPS broke the (El Castillo circle) and seized the Tango 1 and Tango 2 Bases. However, he stated that ARDE's political views and fighting spirit are intact.

ARDE states that only 15 of its men were wounded and very few have been killed. During the EPS attacks over the past 2 weeks, ARDE sustained very few casualties thanks to its guerrillas warfare tactics, said Davila. He added: Very few of our men have been killed and only 15 have been injured, since the tactics employed are paying off, on the other hand due to this mobilization many Sandinists have been left dead. To conclude, Davila stated that ARDE has three major bases, in Sarapiquí, in Venado, and in the delta.

Moreover, the bases located in the interior of Nicaragua, 120, 130, and 80 km inside, are intact, and the Sandinists have not been able to attack them there.

PSN LEADER ON BORDER PROBLEM WITH COSTA RICA

PA111251 Panama City ACAN in Spanish 1902 GMT 10 Jun 85

[By Lorenzo de San Jose]

[Text] Managua, 9 Jun (ACAN-EFE) -- The Nicaraguan Socialist Party [PSN] today urged the Costa Rican Government to solve the cause of the border problems with that country which are provoked by the presence of "counterrevolutionaries" in their territory. PSN Secretary General Luis Sanchez Sancho asserted that the border problems between Nicaragua and Costa Rica "are derived from the fact that counterrevolutionary groups use neighboring countries' territories to attack this country." The Nicaraguan political leader views with concern the "tolerance of certain authorities in Costa Rica and Honduras" who allow their territories to become the bases for counterrevolutionary activities.

Costa Rica recently accused the Sandinist Army of ambushing a Costa Rican patrol in the sector of Las Crucitas, 800 meters from the border with Nicaragua, in which two Costa Ricans were killed and eight wounded. The border incident provoked a Costa Rican request for an urgent meeting of the OAS Permanent Council and the Contadora Group to investigate the events which Nicaragua has attributed to the Democratic Revolutionary Alliance [ARDE].

The socialists assert that Costa Rica must "adopt measures aimed at the cause of the problems and the areas of border instability, marked by the presence of rebels in their territory." Luis Sanchez Sancho warned that "if the situation is not handled responsibly, there is a risk that the conflict will adopt unexpected proportions." The Sandinists recently reported the installation of a military instruction center in the Costa Rican Department of Guanacaste, 30 km from the Nicaraguan border, that is directed by U.S. military officers.

The PSN secretary general said that he advocates the Sandinist proposal to defer to the Contadora Group's mediation to lessen tensions with Costa Rica. The socialists feel that Costa Rica should not have asked the OAS to investigate the border events when they have a forum like Contadora (comprised of Panama, Mexico, Colombia, and Venezuela) which is "expert, effective," and capable of examining the isthmus crisis. Following a meeting to analyze Costa Rican President Luis Alberto Monge's request, the OAS Permanent Council agreed to appoint an investigation commission comprised of Contadora Group representatives with the participation of OAS Secretary General Joao Baena Soares. Even though Sanchez Sancho recognized the OAS' political authority, he said that "it does not have the Contadora Group's capacity for quick action because the latter has subcommissions that know the root of this problem."

UNITA TO SEND ADVISERS TO NICARAGUAN CONTRAS

MB090536 Johannesburg SAPA in English 1445 GMT 8 Jun 85

[By Liz van den Nieuwenhof]

[Text] New York, June 8, SAPA -- The National Union for the Total Independence of Angola [UNITA] leader, Dr Jonas Savimbi, has agreed to send some of his UNITA guerrilla commanders to serve as "advisers" with anti-communist contra rebels fighting the Marxist Sandinist regime in Nicaragua, it was reported today.

The dispatch of UNITA advisers will be the first result of last weeks establishment of a "democratic international of anti-communist insurgents in the Angolan bush."

Mr Robert Novak, one of America's leading newspaper columnists, said Dr Savimbi's agreement to send his men to aid the contras was the first tangible outcome of what is reported to have been the "Jamba Declaration." In terms of that declaration, anti-communist insurgents drawn from around the world agreed to give each other specific help and advice. Dr Savimbi is known to have deeply impressed his guests at the gathering. They included prominent American politician Mr Lew Lehrman, as well as representatives of Afghan, Nicaraguan and Laotian anti-communist resistance movements.

The UNITA leader is regarded by analysts in New York as being one of the most experienced guerrilla leaders in the world, having spent years fighting both the Portuguese colonialists and then the Marxist Popular Movement for the Liberation of Angola [MPLA] and Cuban forces. Sources close to Mr Lehrman pointed out that Dr Savimbi had some of the most accomplished guerrilla fighters in the world, and that they could give valuable advice to the fledgling contra movement fighting to overthrow the Sandinist regime in Managua. The contras are known to be urgently in need of both training and strategic instruction and have been hampered by a shortage of advisers.

It is believed that if the UNITA commanders are found to be useful in the context of the Central American conflict, they could also be dispatched to help insurgent movements in Afghanistan and Laos, as well as in Kampuchea. That, at least, would appear to be part of the objective of the "Jamba Declaration." Mr Lehrman's aides have said that a formal secretariat for the new "democratic international" would soon be established.

COSEP'S BOLANOS ON NICARAGUAN ECONOMIC SITUATION

PA081710 Paris AFP in Spanish 0124 GMT 7 Jun 85

[Text] Guayaquil, Ecuador, 6 Jun (AFP) -- The Sandinists are using the recent U.S. economic embargo to justify their economic failure in Nicaragua, said business leader Enrique Bolanos, president of the Higher Council of Private Enterprise [COSEP] in Nicaragua, today in Guayaquil. In an interview with AFP, Bolanos said that the U.S. embargo only dates back a couple of weeks, but in the past 5 years the Marxist-Leninist Sandinists have totally destroyed the economy and progressively turned the process into one of growing poverty and misery.

The leader, who arrived in Guayaquil at the invitation of the local Chamber of Commerce, affirmed that Nicaragua has practically no reserves and that in the past 5 years Nicaragua has raised its external debt from \$1.58 billion to \$4.5 billion, reduced the domestic gross product per capita to 1961 levels, and provoked a chronic scarcity of goods and services. "If you enter a supermarket, you will see empty shelves and the 'lines' the people form to obtain food," he noted. Bolanos said that the foreign debt service already absorbs over 100 percent of total Nicaraguan exports and affirmed that "if we have not been cleaned out of currency, it is because Nicaragua has not paid all of its debts."

The black market is such that while the official exchange rate is 10 cordobas to the dollar, they are obtained on the street at 700 cordobas per dollar, he noted.

Bolanos attributed the Nicaraguan economic crisis to the growing socialization of the economy.

The state has taken over foreign trade, domestic trade, agricultural distribution, the handling of the news media, the control of the exchange, education, and even the management of companies, he said. While production lacks economic incentives, the state tries to assume social obligations without having sufficient revenues, most of which are used for the militarization of the Sandinist authoritarianism, he affirmed. "Since there was no other way to do it, the constant efforts to change Nicaragua into a communist country under the guidance of Russia unleashed a state of general impoverishment in Nicaragua," Bolanos added.

Bloanos contradicted the argument that the socialization of his country has turned Nicaragua into a fair, equalitarian society. "This may be true if viewed from the fact that the Sandinists have impoverished everyone. They have not distributed poverty equally. They are distributing misery," he added. He said that Nicaragua's sole achievement in the past 5 years has been to go from the Somozist dictatorship to the Sandinist military authoritarianism. "The Nicaraguan people are not only poorer than before, but also are less free. The results are not worthwhile," Bolanos emphasized. We warned Latin America about communist propaganda "disguised as social demands." If communism is allowed to consolidate in Nicaragua, it will spread throughout Latin America, he warned. "They will infiltrate the universities, the church, the colleges, and even the schools; they proclaim themselves as Christians, turn youths into fanatics, and use any weapon -- military or intellectual -- to subject the people," he said.

Bloanos denied that the Sandinists have the right to proclaim "the self-determination of Nicaragua." He recalled that when the Sandinists were fighting against Somoza they asked for hemispheric solidarity. "They are worse than Somoza. Therefore, they cannot criticize the right of the free men of Nicaragua to ask for Latin American solidarity in their struggle against the Soviet communist military totalitarianism practiced by the Sandinists," Bolanos stated. Bolanos added that America's eyes on the situation is what guarantees his personal safety in Nicaragua. "In an attempt to stop me from proclaiming the truth they once tore up my passport. Only the voices of the free men of America made them return the passport," he continued. "The worst thing that the Americans can do is yield to Soviet expansion. We must fight against it or we will cease to be free," Bolanos concluded.

BRIEFS

DONATION FROM FRANCE -- The French Government and people donated 7,300 tons of flour to the Nicaraguan Government and people today as part of the friendship and solidarity between the two countries. The important donation was delivered by Jane Debenest, French ambassador to Nicaragua, to Commander Ramon Cabrales, domestic trade minister. Cabrales thanked her for the aid and said that while U.S. imperialism decrees economic sanctions and carries out a mercenary aggression, France gives us flour to feed the people. [Text] [Managua Radio Sandiono Network in Spanish 0000 GMT 7 Jun 85 PA]

FOREIGN MINISTER ON CONTADORA, FOREIGN DEBT

PA102004 Havana International Service in Spanish 1600 GMT 8 Jun 85

[Text] Cuban Foreign Minister Isidoro Malmierca, who is visiting Venezuela, called for Nicaragua and Costa Rica to overcome their conflict with the help of the Contadora Group. During a press conference in Caracas, Foreign Minister Malmierca stressed that Nicaragua is the victim of an undeclared war that is actively being carried out by the U.S. Government. The Cuban foreign minister said that any effort to try to limit the role of the Contadora Group is not a positive attitude. He added that he hopes the efforts to achieve peace in the region will be successful.

Malmierca said that SELA is an appropriate means to achieve paths that will permit the Latin American countries to reconcile their positions on the foreign debt. The Cuban foreign minister said that the solution to the unpayable foreign debt is linked to the struggle for peace, development, and the defense of international security.

DPRK WORKERS ISSUE STATEMENT ON RADIO MARTI

FL111622 Havana Domestic Service in Spanish 1407 GMT 11 Jun 85

[Text] Textile machinery workers of Pyongyang, DPRK, expressed massive support for Cuba's repudiation of the anti-Cuban U.S. radio station Radio Marti. The statement was made by the Committee for Cultural Relations with Foreign Countries and Cuban Ambassador Ricardo Danza Sigas.

RAUL CASTRO ENDS VISIT TO SANCTI SPIRITUS

FL101502 Havana Television Service in Spanish 1101 GMT 10 June 85

[Text] Army General Raul Castro Ruz, second secretary of the Cuban Communist Party and FAR Minister, said in La Sierpe municipality of Sancti Spiritus: I have the honor of completing an assignment from the commander in chief, to give you, in his name, a warm greeting: Long Live the Province of Sancti Spiritus. On completing a 3-day visit to Sancti Spiritus, which included visits to its eight provinces, he said: I have thus kept my promise made to the people during the 1 May ceremony.

Army General Raul Castro Ruz also awarded Ready for the Defense banners to Jatibonico and Teguaso, the first in Sancti Spiritus Province to simultaneously reach that level.

CAMACHO ADDRESSES SUGAR INDUSTRY DIRECTORS

FL111854 Havana Domestic Service in Spanish 1806 GMT 11 Jun 85

[Text] The 1985-86 sugar harvest has already begun for Santiago de Cuba because, from now on, all the raw materials that are going to be processed during this harvest must be carefully prepared, Julio Camacho Aguilera, Politburo member and first party secretary of Santiago de Cuba Province, has said. Camacho expressed himself in these terms when speaking to all the party's first secretaries of the six cane-producing municipalities in Santiago, who met with the directors of the eight provincial sugar mills. He also said plans exist to obtain yields of not less than 66,000 arrobas per caballeria in the coming harvest, to achieve a harvest that will satisfy the needs of the country's economy.

Santiago de Cuba expects to end June with 90 percent of its canefields free of weeds.

'OUR AMERICA' ON NEW NICARAGUAN CARDINAL

PA081439 Havana International Service in Spanish 0000 CMT 2 Jun 85

["Our America" commentary]

[Text] The investiture of Msgr Miguel Obando y Bravo as cardinal opens a new phase in the relations between some members of the Nicaraguan Catholic hierarchy and the Sandinist revolutionary power. The current state of relations, which began to develop weeks after the triumph of the Sandinist revolution on 19 July 1979, is generally attributed to the influence that the recently vested Nicaraguan cardinal exerted on some bishops in that Central American country and on a significant number of parishioners. Many people, especially the most progressive ones or simply those with a realistic vision, believe that Obando y Bravo could be a religious guide who supports the transformation process in Nicaragua.

To support this claim, it is recalled that Cardinal Miguel Obando y Bravo was the son of a humble peasant woman who worked hard as a maid for wealthy families in La Libertad in order to feed and educate him. This alone would be reason enough for the cardinal to work for improving the Nicaraguan people's standard of living. His inclination to a religious vocation was discovered when he was a child by Salesian clergymen, who came to Nicaragua in the late 1940's to hold Holy Week ceremonies in that isolated region of Chontales Department. Miguel Obando y Bravo was taken by his mentors to a Catholic school in Granada.

Since then, Obando y Bravo has filled all positions required by the Catholic Church and was finally appointed one of the few Latin American cardinals by Pope John Paul II. The post he occupies today will undoubtedly make him an important figure in achieving improved relations, which the Managua government desires, because it is an important factor for internal stability. Nicaraguan Catholics are not against the Sandinist revolution. The revolution would not have been able to survive U.S. aggression without the support of the people, the majority of whom are Christian.

The Catholic people currently hold the necessary weapons to defend every corner of their beloved Nicaraguan land. They have faith in the honest future of the Sandinist revolution that is full of hope. With this same faith, workers and peasants are ardently striving to bring the country out of economic backwardness, into which the prolonged Somoquist dictatorship plunged the country. There is not a contradiction between the revolution and Christians' position. Unity is strengthened by defending the homeland, which is blemished by mercenary hordes hired by the United States. The normalization of relations between state and church, brought about by the grace of counterrevolutionary propaganda promoted by Washington and all of the changes and new political attitudes created by this propaganda, is an important factor in achieving peace and sparing the Nicaraguan people more suffering. Efforts by the revolutionary leadership to bring detente to a point not imagined years ago are not in vain. For example, President Daniel Ortega was the first one to congratulate Cardinal Miguel Obando y Bravo as soon as the news of his appointment was known.

When Obando y Bravo arrives in Managua from Vatican City on 15 June, the entire revolutionary government will welcome him. As Reverend Fernando Cardenal, Nicaraguan education minister, said in Spain, each day it is increasingly clearer that the authority of the pope and the church is not questioned in Nicaragua. However, new questions revolve around the new cardinal's reply to all of the efforts by the Sandinist government to benefit the people and foster peace, which the U.S. Government and President Ronald Reagan are so stubbornly trying to block.

ANTIGUA AND BARBUDADEPUTY PRIME MINISTER PROPOSES CARICOM ARMY

FL111228 Bridgetown CANA in English 1612 GMT 10 Jun 85

[Text] St Johns, Antigua, Jun 8, CANA -- Antigua and Barbuda's Deputy Prime Minister Lester Bird today suggested that the question of a standing army to serve the entire 13-member Caribbean Community (Caricom) be an agenda item for next month's Caricom heads of government summit in Barbados.

It is only through the pooling of our resources that we will have a force sufficiently well-manned and well-equipped to enable the Caribbean to protect its own territories, free from dependence on external sources, he told graduating soldiers of the Antigua and Barbuda Defence Force.

Bird, underlining the need of small Caribbean island states like Antigua and Barbuda to have armies, said the region no longer existed in a peaceful environment. He cited the 1983 political upheaval in Grenada that saw the fall of the four-year-old Marxist government, and the use of the region by drug traffickers plying their trade to the United States. The Antiguan deputy prime minister said there were also internal forces, spurred on by external powers, who were attempting to change the existing order of regional countries and impose their own ideology, an apparent reference to left-wing activists.

Bird said the power struggle within the ousted People's Revolutionary Government (PRG) of Grenada had saved that island from being taken over by foreign forces. Had not that power struggle and its tragic aftermath of murder and carnage not occurred, Grenada would have been totally absorbed by external forces, he said. The power struggle, between leftist Prime Minister Maurice Bishop and his radical, pro-Moscow Deputy Bernard Coard, culminated with the execution of Bishop in a military coup staged by the hardliners. A U.S.-led invasion followed and paved the way for the island's return to democracy.

Bird disagreed with critics who suggest that domestic island armies should be used only against external aggression. Said the deputy prime minister: let us assume for a moment that part of your role would be to put down internal insurrection; what would be so odious about that? What would be so wrong about the Army being employed to maintain stability in a nation in the face of internal threats to security? The Caribbean should be very clear about this, and perhaps now is the time for frank talks about the army in relation to the security of small states.

It is my contention, and I believe my views are shared by many others, that external forces manipulate internal elements to create conditions of destabilisation within a small state. I have no doubt that such forces are at work in the Caribbean every day. We have now had the experience on our doorstep in Grenada, where local internal movements were manipulated by external forces and then absorbed, once power had been secured. I would venture the opinion that the national sovereignty of Grenada was saved only because of the struggle for power within the Peoples Revolutionary Government. For had that struggle and its tragic aftermath of murder and carnage not occurred, Grenada would have been totally absorbed by external forces.

Therefore where small states such as Antigua and Barbuda, and many other countries in the Caribbean, have ill-equipped and under-manned police forces, there is every justification to employ the army to assist in maintaining order and protecting the live and well-being of people in the event of internal threats to security. After all, why should the role of the army in small states of less than 100,000 people be confined to external engagements? Who made that decree? I didn't. The people of the Caribbean have never been asked to vote on it, so where did this restriction of the army come from?

It came from those who would prefer to see order in the Caribbean disintegrate, and the independence of our countries pawned to a foreign broker.

On the question of setting up a Caricom-wide defence force, one's own view of such a defence force is that it should include all Caricom countries; for it is only through the pooling of our resources that we will have a force sufficiently well-manned and well-equipped to enable the Caribbean to protect its own territories, free from dependence on external sources. But I suspect that a regional defence force which includes all Caricom countries will not be a reality in the near future. In the meantime, each of our countries will have to establish such national forces as our limited resources permit. However, it is not too soon to place a Caricom-wide regional defence force on the agenda of regional discussions; and I would suggest that at their meeting in Bridgetown in July, Caricom heads of government could usefully begin to explore the possibilities of such a course. We have a body of knowledge about the security of small states on which to draw. A study mandated by Commonwealth heads of government should be ready for presentation in October at the Nassau summit of Commonwealth heads. Caribbean governments now have a sufficient appreciation of our own security needs to enable us to begin to devise a scheme in which we all can share.

HAITI

PRESIDENT DUVALIER APPOINTS NEW CABINET MEMBERS

PA120300 Paris AFP in Spanish 0224 GMT 12 Jun 85

[Text] Port au Prince, 11 Jun (AFP) -- Jean-Claude Duvalier, Haitian president for life, last night adjusted his ministerial cabinet, it was learned today.

A new minister of state, Theodore Achille, who will be in charge of the Justice Ministry, was appointed. He replaces Pierre Gonzales, who was appointed president of the Courts of Appeals. The other three ministers of state, Jean-Marie Chanoine (presidency, information, and public relations), Roger Lafontant (interior and national defense), and Frantz Merceron (finance, economy, and industry) were confirmed in their posts.

The new appointees in the cabinet are: Maxine Leon (public works, transportation, and communications), Jean-Michel Ligonde (commerce), Serge Conille (youth and sports), Victor Laroche (public health and population), and Franck Romain (mines and energy resources). Finally, Jean-Claude Sanon was appointed governor of the Bank of the Republic (Central Bank) to replace Allan Nolte. Sanon had been director general of that entity.

JAMAICA

SEAGA HOLDS PRESS CONFERENCE ON BUDGET, DEBT

FL071808 Kingston Domestic Service in English 1730 GMT 7 Jun 85

[Text] Jamaica will be paying close to \$2 billion this financial year to service the foreign debt. This was disclosed by Prime Minister Edward Seaga at a press conference in Jamaica house this morning, following his budget presentation in the House of Representatives last night.

The prime minister said that \$1.3 billion would be going toward the servicing of the debt directly, with interest rates amounting to \$650 million. Prime Minister Seaga said \$193 million would be going toward the refinancing of debts this year; of this amount, \$93 million towards the Paris Club comprising members of the Western European bank, and \$29 million for the nonmembers of the Paris Club. Mr Seaga said efforts were being made to phase out borrowing from the commercial banks, and more emphasis was being placed on lending agencies such as U.S. AID [U.S. Agency for International Development], the World Bank, and the IDB. He explained that the terms and conditions of loans from the commercial banks were beyond what Jamaica could afford.

In regard to new tax measures, the prime minister said a report compiled by experts had been prepared, and recommendations would be made in August this year. It is expected, the prime minister said, to have these new measures in force next January. He said the measures, once introduced, would allow for an automatic reduction in taxation over the following year. Mr Seaga also announced that the most comprehensive road improvement program was set to begin this year. This will involve the construction of some 128 miles of road in Kingston over a 6-year period, and the installation of an additional 40 traffic lights.

Questioned whether businessmen now in industry could afford to switch to other areas of production, Mr Seaga said there were opportunities in the manufacturing sector, in garments in particular, and in agriculture under the Agro-21 Program and the new agricultural program involving farm lands.

The prime minister repeated his statement that he expected the reduction in the deficit to reach a tolerable level in the next 3 years. And he said that credit restriction and regulations would remain in force over that period.

MILITARY EXERCISES STAGED WITH BRITISH SOLDIERS

FL101822 Bridgetown CANA in English 1624 GMT 10 Jun 85

[Text] Kingston, Jamaica, June 8, CANA -- A 128-man contingent of British soldiers has arrived in Jamaica to engage the local army in military exercises over the next four weeks, while 137 Jamaican soldiers have gone to Britain on a similar mission, according to an official announcement here. The Royal Anglians will be based at Moneague Camp in the northern parish of St Ann and will be engaged in various activities with the Jamaica Defence Force. These activities will include a tactical exercise with patrols, ambushes, and attacks in Moneague, a personal assessment exercise in Claremont, and building rafts and practising escape and evasion by rafting down the Rio Grande River in Portland in the southeast.

The Jamaican soldiers, who are in Britain, will be stationed at the Royal Anglian Camp in Colchester and other specialist schools. Their programme includes tactical exercises, many of which will be done in a large training area in Norfolk.

TRINIDAD AND TOBAGO

CUBAN GOVERNMENT SEEKS TRADE, CULTURAL TIES

FLO61912 Bonaire Trans World Radio in English 1130 GMT 6 Jun 85

[Text] A Cuban delegation will soon arrive in Trinidad to discuss increasing trade and cultural ties between those two countries. Trinidad Foreign Minister Errol Mahabir says the Cuban Government has expressed interest in Trinidad's asphalt, fertilizer, and petroleum products.